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TODAY: ESSAY

India and Pakistan Voice Willingness To Sign Atom Pact, But U.S. Is Wary

With New Delhi Discussing Details, Albright Sees Much Still to Be Done Before Test-Ban Treaty Ratification

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — India on Thursday joined Pakistan in announcing that it was prepared to sign the international treaty banning nuclear testing within the year but said it was still discussing details.

Prime Minister Atal Bihari Vajpayee, speaking to the UN General Assembly, said that India had satisfied its security concerns with nuclear tests in May and was ready to cooperate with other nations in bringing the Comprehensive Test Ban Treaty into force.

The Clinton administration reacted cautiously to Mr. Vajpayee's statement Thursday and that of Prime Minister Mian Nawaz Sharif of Pakistan, who spoke Wednesday and with less ambiguity.

"Obviously much remains to be done," Secretary of State Madeleine Albright told reporters here.

She mentioned the actual signing and ratification of the treaty, for which no date was set by either India or Pakistan, as well as the strengthening of export controls by both countries. Other steps also need to be taken to bring the two countries into full compliance with international arms control agreements.

If India and Pakistan remain true to their pledges here, North Korea will stand alone in refusing to sign the treaty, and its refusal could still prevent the treaty from going into force a year from now, the deadline for ratifications set by a UN conference two years ago.

At that time, India opposed the treaty and tried to block its passage. The Clinton administration has been negotiating with India to change New Delhi's approach.

"We are prepared to bring these discussions to a successful conclusion," Mr. Vajpayee said Thursday.

Both Mr. Vajpayee and Mr. Sharif lead governments that are considered weak and vulnerable to swings in public opinion fostered by their political enemies. Nuclear testing has been popular in both countries, and intentions stated here — however couched in qualifiers — could unravel in the arena of South Asian politics.

India's scientific and nuclear establishment also has a large stake in the weapons program there, as does the Pakistani military.

Forty-four countries with nuclear reactors, though not necessarily nuclear weapons, must not only sign but also ratify the Comprehensive Test Ban Treaty for it to take effect. Ten of them have done so. The United States has signed but the treaty is on hold in Congress.

U.S. opponents of the treaty Thursday accused President

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Kathy Willens/Agence France-Presse

Hillary Clinton Goes Campaigning

The first lady visiting a shelter for battered women in New York, where she was lending her support to the Democrat in the U.S. Senate race. With many Democrats reluctant to appear publicly with the president, Mrs. Clinton, who planned to travel to five states in three days, was filling his role. Page 3.

House Panel's Vote On Clinton Is Set

Decision on Opening Inquiry For Impeachment Due by Oct. 6

By Brian Knowlton
International Herald Tribune

WASHINGTON — Taking the first concrete step down a path followed only once before in this century, the chairman of a House committee announced Thursday that his panel would vote by Oct. 6 on whether to recommend the opening of a formal impeachment inquiry into President Bill Clinton's actions.

The schedule announced by Representative Henry Hyde, Republican of Illinois, came as little surprise. But the White House was sure to be disappointed by a move that dashed Democrats' hopes of reaching an agreement to punish the president in some way short of impeachment.

"We have made it quite clear that we don't believe the matters here rise to the level of an impeachable offense," said Michael McCurry, the presidential spokesman. "But as a practical reality, the process is going to go forward now."

He vowed that the White House would respond with due "solemnity and dignity."

It was not immediately clear whether the Hyde announcement would heighten what, according to opinion polls, is a growing public backlash against congressional Republicans for their handling of the Monica Lewinsky affair. Nor could the impact on the Nov. 3 congressional elections be foretold. But the White House appears to have concluded that appeals to a restive public may provide its best lever.

President Clinton appeared to be trying to play on public impatience Thursday when he said that "it is utterly foolish for people to be diverted or distracted from the urgent challenges" facing the country. He said Washington should concentrate on issues ranging from rescuing the Social Security program to improving schools.

A report that was presented to Congress by the independent counsel, Kenneth Starr, this month described in graphic detail the sexual relationship between Mr. Clinton and Ms. Lewinsky and outlined grounds for possible impeachment in 11 areas covering perjury, obstruction of justice and abuse of power.

Mr. Hyde made it clear that the effort backed by some Democrats to seek agreement for a presidential censure, or other negotiated punishment, was going nowhere among the majority party.

"I don't know anybody on the committee on the Republican side who is contemplating anything remotely close to a deal," Mr. Hyde said. "I'm not entranced by that idea, and our members are not."

House panel sifts remaining Starr evidence before release. Page 3.
• Congressional Republicans scent election-day blood. Page 4.

While insisting that "we're not trying to pile on the president," he added, "There is no precedent for censuring a president."

He also indicated that he had no taste for widening such an inquiry beyond matters flowing from Mr. Clinton's relationship with Ms. Lewinsky, a former White House intern.

Asked if the committee might examine allegations of campaign finance abuses by the White House or of illegal foreign contributions, he replied: "None of us are interested in casting a very wide net. We don't want to be a catchall, a magnet for all kinds of things that don't pertain."

Mr. Hyde said the Judiciary Committee would vote in open session on Oct. 5 or 6. If it recommends a formal inquiry, the full House will take up the matter on Oct. 8 or 9.

With Republicans dominating both the committee and the full chamber, the Hyde panel is expected to be directed to open hearings and eventually to prepare articles of impeachment. If a simple majority of the House approved those articles, Mr. Clinton would face a trial in the Senate.

President Richard Nixon was the previous target of impeachment hearings, which opened against him in May 1974. He resigned before the case was sent to

See CLINTON, Page 10

A Reprieve for Salman Rushdie

Iran Denounces Death Threat and Restores U.K. Ties

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — Iran and Britain restored diplomatic relations at full ambassadorial level Thursday after the Iranian foreign minister publicly divorced his government from the death threat imposed on the British author Salman Rushdie in 1989 by Ayatollah Ruhollah Khomeini.

The Iranian foreign minister, Kamal Kharrazi, said in a statement that he read to reporters Thursday: "The government of the Islamic Republic of Iran has no intention, nor is it going to take any action whatsoever to threaten the life of the author of 'The Satanic Verses' or anybody associated with his work, nor will it encourage or assist anybody to do so." Mr. Kharrazi's remarks followed comments made in New York on Tuesday by President Mohammed Khatami, who told reporters that the Rushdie affair was "completely finished."

Standing next to Mr. Kharrazi, Foreign Secretary Robin Cook of Britian said that he was "delighted" to hear Iran's position clarified and to know that the reward offered to anyone willing to kill Mr. Rushdie had been renounced.

[Mr. Rushdie said in London that it appeared his nearly 10-year ordeal had ended, The Associated Press reported. "This looks like it's over," he said. "It means everything; it means freedom."]

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In Videotape, Ousted Deputy Blasts Mahathir For Corruption

By Thomas Fuller
International Herald Tribune

KUALA LUMPUR — In a videotape that was recorded before his arrest and broadcast throughout East Asia on Thursday, Anwar Ibrahim, Malaysia's ousted deputy prime minister, leveled broad allegations of corruption against Prime Minister Mahathir bin Mohamad.

Mr. Mahathir swiftly responded, telling journalists he was powerless to prevent the news media from telling "lies."

The dramatic videotape of Mr. Anwar, sitting next to his wife, Azizah, was apparently recorded Sunday, the same day a Malaysian commando unit stormed Mr. Anwar's house and took him to jail amid allegations of sedition and sodomy.

On the tape, Mr. Anwar said he had been dismissed because Mr. Mahathir and his "cronies" feared that Mr. Anwar would not protect their interests once the prime minister left office. And he tells his children that the sex allegations are "vicious lies."

"They are afraid that when I take over power, their positions, their crimes and their bribes are not secure," Mr. Anwar said, characterizing Mr. Mahathir as "hungry for power."

He went on to allege that money had been siphoned off from Mr. Mahathir's political party, of which Mr. Anwar was a member until his removal, and that Mr. Mahathir knew about it; that the prime minister pressed for a preferential

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Jason Reed/Reuters

A foreign journalist being turned away by police officers at a roadblock in front of Anwar Ibrahim's home in Kuala Lumpur on Thursday.

Election Lesson: German Without Pain

After the Years of Tension, a Rare Mood of Normalcy Marks Campaign

By John Vinocur
International Herald Tribune

NEWS ANALYSIS

HAMBURG — Less than an election ago, Chancellor Helmut Kohl was warning Germans that the creation of a common currency in Europe was a matter of war or peace, an incontrovertible step in the Continent's unification process that meant vast dangers if it failed.

For many Germans, the war or peace line seemed misplaced, overdone. After the breakdown of the Soviet empire, German reunification, the withdrawal of Soviet troops from Germany, and NATO's enlargement to include most of the country's once-hostile neighbors, Germany seemed to them to have moved beyond a half-century of international tension, and to have overcome for the first time since World War II its status as a potential cause for alarm for the rest of the world.

This reality has been reflected in the election campaign that comes to a vote on Sunday. Foreign policy and security affairs were largely missing from the discussion, an absence that looked less like an evasion than a response to a lack of concern. Compared with unemployment, Germany's international role left people cold. When the subject was examined in the margins of the campaign, the big parties' positions appeared essentially alike.

On the grid of German history since 1945, the 1998 election can be seen above all else as a milestone in the country's process of political decompression.

There was not a single issue that reached a destabilizing nerve at home or frightened an ally, no trumpeting of special German paths or special German visions. Germany's history may never be normalized, nor the country's responsibilities to the criminal aspects of its past, but what characterized the campaign would pass in most places for normalcy — and this made it just a bit dull.

When Mr. Kohl saw an opportunity to contrast his success in international affairs with the apprenticeship status of his opponent, Gerhard Schroeder, he seized on the chaotic situation in Russia

See GERMANY, Page 7

AGENDA

Turkey Accuses Greece Over Cyprus

UNITED NATIONS, New York (Reuters) — Prime Minister Mesut Yilmaz of Turkey said Thursday that the policy of Greece and the Greek Cypriots over the question of Cyprus threatened the security of his country and of the state proclaimed by the Turkish Cypriots. "It is also detrimental to peace and stability in the eastern Mediterranean," Mr. Yilmaz said in a speech to the General Assembly.

"The question of Cyprus is at a critical juncture," he said. "The course pursued by Greece and the Greek Cypriots poses a serious threat to the security of the Turkish Republic of Northern Cyprus and of Turkey." He was referring to the Turkish Cypriot state established in 1983.

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The IHT on-line www.iht.com

The Dollar

New York	Thursday @ 4 P.M.	previous close
DM	1.674	1.6781
Yen	134.93	135.835
FF	5.614	5.629
Pound	1.6975	1.6849

Dollars per pound.

The Dow

	Thursday close	percent change
—152.42	8,001.99	—1.87%

S&P 500

—23.37	1,042.72	—2.19%

Nasdaq

—39.93	1,720.34	—2.27%

The Elusive 'Third Way'

Europe's Socialists Rarely Agree on Definition

By Barry James
International Herald Tribune

BRUSSELS — If Gerhard Schroeder wins the German election this weekend, it will add a new voice to the chorus of European leaders proclaiming a "third way" for socialism between the dogmas of free-market capitalism and big-government regulation.

But although European democratic socialists are singing from the same hymn sheet, they are seldom in tune. There are, it seems, almost as many third ways as there are socialist parties.

A victory by Mr. Schroeder could lead to political realignment in the European Union. Although he says he is committed to the same European program as Chancellor Helmut Kohl, Mr. Schroeder describes himself as close in his views to Prime Minister Tony Blair of Britain. This places a question over the German-French alliance that for several decades has formed the backbone of the European Community.

For while Prime Minister Lionel Jospin also is committed to third-way socialism, his views are markedly different from those of Mr. Blair.

Mr. Jospin runs a kind of managerial socialist administration that retains the principle of strong state regulation. While being prepared to accept some ideas from the right, such as the privatization of state industries, Mr. Jospin has derided capitalism as "a force that moves, but which does not know where it is heading." It is, he believes, the state's role to supply the necessary direction and protect fundamental values of egalitarianism and justice.

For Mr. Jospin, the market is a technique for producing wealth and allocating resources, but not in itself a value. Without the guiding hand of the state, he said recently, there would be "an explosion of inequality, the erosion of the social bond, the menacing of our en-

See LEFT, Page 7

Big Banks, a Bailout and a U.S. Address

Compiled by Our Staff From Dispatches

NEW YORK — Banking regulators scrambled Thursday to contain the financial fallout a day after some of the world's largest banks and brokerage firms, working with the Federal Reserve Bank of New York, cobbled together a $3.5 billion rescue plan to save a Wall Street investment firm that teetered on the brink of collapse.

Bank shares fell sharply in the United States and Europe following the rescue of the firm, Long-Term Capital Management LP, known as LTCM. The big private investment fund run by a prominent Wall Street figure, John Meriwether, and two Nobel Prize-winning economists was rescued Wednesday as losses mounted on more than $100 billion of bets it made in financial markets around the world.

"It is a watershed event," said Joan Solotar, analyst at Donaldson, Lufkin and Jenrette. "The Fed is pressuring commercial and investment banks to bail out a hedge fund because of concern about a financial market meltdown."

In Europe, Britain's Financial Services Authority and the Swiss Banking Commission both said they had asked banks in their jurisdiction to provide details of their exposure to Long-Term Capital Management and other funds.

Bank shares in France, Italy, Britain, Germany, Spain and the Netherlands fell Thursday, sending the banking component of the Dow Jones stock index of European shares tumbling 3.1 percent.

In Zurich, UBS AG, the world's second-biggest bank and Europe's biggest, said it expected to report a third-quarter loss of as much as 1 billion Swiss francs ($716.9 million) related to the near-collapse of the U.S. hedge fund as well as losses in emerging markets. UBS shares fell 11 percent. Britain's Barclays PLC, which also took part in the Long-Term Capital bailout, saw its shares drop more than 3 percent even though it said its profit-and-loss account would not be hit by the hedge fund.

"The LTCM rescue package is wor-

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Newsstand Prices

Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroun	1,600 CFA	Qatar	10.00 QR
Egypt	£E 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1,100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 Ptas
Ivory Coast	1,250 CFA	Tunisia	1,250 Din
Jordan	1.250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20

Slugging It Out

Mark McGwire of the St. Louis Cardinals and Sammy Sosa of the Chicago Cubs are battling for baseball's most prized record.

MARK McGWIRE	SAMMY SOSA
Home runs: 65	Home runs: 65
Games left: 4	Games left: 3
Hit a two-run homer vs. the Brewers on Sunday.	*Hit two homers vs. the Brewers on Wednesday*

AFP

24 One-Hour Shows/ *TV Series to Examine the Conflicts of the Cold War*

Ted Turner Tries Again to Create a Brave New World

By Lisa de Moraes
Washington Post Service

ATLANTA — Ted Turner is living on another planet. It's a planet where nations are understanding of one another, where nuclear arms have gone the way of the blunderbuss, where women run the governments, where no one eats bacon for breakfast, where the population of elephants is soaring while the population of humans is plummeting — and where a 24-hour documentary is a hit television show.

The documentary, "Cold War," is actually a cleverly disguised step in Mr. Turner's master plan to turn our planet into his. Look at the pattern: He gives a $1 billion donation to the United Nations to pay for programs addressing women's health and population control, he organizes the Goodwill Games to promote world harmony through athletic excellence and, of course, he founds the global news network CNN, where the first hour of the documentary makes its debut Sunday and where ensuing hours will air every Sunday until April 4, 1999. It will not be shown on CNN International before 2000 but will be seen on several networks around the world.

In the two dozen episodes, the series details the military and ideological conflict between the United States and the Soviet Union that started shortly after World War II and divided the planet for 46 years until the Soviet Union collapsed in 1991. Why relive those MAD (as in Mutual Assured Destruction) old days of bomb shelters and spy rings? Because they still have a lot to teach us, Mr. Turner thinks. In fact, he says, keeping the 46-year conflict from turning into "the Big One" ranks as "the greatest achievement in the history of mankind."

"It was the first time that humanity ever figured the way out of a box," Mr. Turner said in a recent interview in his Atlanta offices. "We went right to the abyss and stepped back on several occasions."

HE GOT THE idea for the project while in St. Petersburg for the Goodwill Games in 1994. That was when the reality of the end of the Cold War three years earlier hit him.

"There was not any animosity by the Russian people," he explained. "Everybody was just as friendly as they could be."

That was a far cry from his first visit in 1986 for the inaugural games.

"They were very suspicious of me," he remembered. "They said, 'Why are you coming over here?' I said, 'I'm just trying to be another do-gooder American coming over here and trying to build some bridges. "I have reached the inescapable conclusion that we are going to have to quit trying to blow your children up and you, too, and we're going to have to learn to live together.' "

Stuart Ramson/The Associated Press

"Cold War" was produced by Jeremy Isaacs, the British documentary filmmaker who also created the critically heralded 1970s documentary "The World at War."

Mr. Isaacs's crew shot or recovered from archives more than a million feet of film for the series and conducted more than 500 interviews, including sessions with Fidel Castro, Mikhail Gorbachev, Vaclav Havel, Oleg Kalugin, former head of counterintelligence at the KGB, Ring Lardner Jr., a former screenwriter and Communist Party member, General Vo Nguyen Giap of Vietnam, Bobby Seale, the former Black Panther chairman, Allen Ginsberg, Gerald Ford, George Bush and Jimmy Carter.

And, no, Mr. Turner's wife, Jane Fonda, does not appear in the segment on American protest against the Vietnam War.

Mr. Turner's army of scriptwriters included Germaine Greer, a pioneering feminist writer; Hugh O'Shaughnessy, an Amnesty International founding member, and William Shawcross, author of the book "Sideshow: Kissinger, Nixon and the Destruction of Cambodia." Researchers found fresh material for the epic by using the Freedom of Information Act and taking advantage of the recent opening of the Soviet Archives.

> *Ted Turner feels Americans are too provincial. 'We are often judgmental about people that are different from us and we don't even understand what their problems are.'*

The documentary strives to be an evenhanded, nonpartisan look at both sides of the Cold War. But in its entirety it delivers the Ted Turner mantra that Americans are too provincial for their own good.

"We are often judgmental about people that are different from us and we don't even understand what their problems are," Mr. Turner says. "A lot of students got killed at Tiananmen Square, but I remember several students got killed at Kent State. And, remember, they have a lot more students than we do. We shot down our own students."

"Cold War" was originally mapped out by Mr. Isaacs as a 20-hour, $10 million production. Mr. Turner, who had wanted 40 hours in his usual bigger-is-better manner, eventually tacked on four more hours, bringing the budget up to $12 million. (He says the project is already in the black because of advance sales overseas.)

While the documentary series is largely a chronological, blow-by-blow account of superpower conflict, it takes several detours to devote whole episodes to espionage, Latin America and Africa, each of which spans the Cold War years.

Mr. Turner added those hours to the original outline to illustrate how the two superpowers exported their rivalry to various unfortunate lands.

"The superpowers backed and provided weapons for people, they didn't even know what their political beliefs were," he says with some outrage. "If they were the enemies of the Russians we gave them weapons, and if they were our enemies they gave them weapons. It's like giving kids in high school weapons and then egging them on to use them.

"I've said for years that all men should be banned from any kind of political office for 100 years. Let the women run the world for a while. Women don't look at things the same; they don't have all that testosterone in them."

Mr. Turner also had Mr. Isaacs add an hour on China, a country that Mr. Turner thinks is grievously misunderstood by Americans.

"They have different problems than we have," he says. "We're not very sympathetic of that. They have five times as many people in a country slightly smaller than ours with far less good agricultural land and far less water."

He believes that CNN played a role in weakening the grip of official propaganda during the Cold War and that the emergence of global, instantaneous television news was "one of the straws that broke the camel's back."

Individuals and nongovernmental organizations played a key role, too, in building bridges, Mr. Turner says.

"What it really took in the end was trying to understand each other and emphasize the things that we had in common: We all like to go to the beach; they didn't like the cold winters any more than we did."

"You know they like to drink," adds Mr. Turner, whose conversations veer in unexpected directions. "They don't drink near as much now. They don't smoke near as much now. We've learned that it's not good for your health.

"When I was a little kid only poor people ate cereal for breakfast. If you had enough money you ate bacon and eggs, just covering your heart with cholesterol. We've learned a lot, we've come a long way."

But not far enough, he adds.

Arms control remains the great unfinished chapter of the Cold War, in his view.

"We were so close to the edge, and as long as those vast arsenals of nuclear weapons remain, there's always a possibility that another Adolf Hitler could arise in one of these countries. A madman can get control of a country. We have a sex maniac in control of our country."

After Cuba, Hurricane Aims at U.S.

People in Miami Beach Are Urged to Evacuate

Reuters

MIAMI — The hurricane named Georges pounded Cuba with torrential rains Thursday and took aim at Florida on a rampage across the Caribbean that has killed at least 116 people and left tens of thousands homeless.

Millions of people in southern Florida were put under a hurricane warning early Thursday, and officials issued the first voluntary evacuation alerts, urging tens of thousands from the oceanfront condos of Miami Beach to the modest neighborhoods of flood-prone Homestead to move to higher ground.

The storm edged along Cuba's north coast, hitting eastern provinces with powerful winds and rains and causing widespread flooding.

The hurricane claimed its first victims in Cuba when a woman was electrocuted after stepping on an electricity cable brought down by high winds and a man was electrocuted after driving over a cable on a motorbike.

That took the death toll during the storm's five-day rampage across the Caribbean to at least 116. More than 70 of the victims died in the Dominican Republic, where at least 100,000 people were homeless and authorities said they expected the toll to go higher.

In Cuba, officials said some 500,000 people had been evacuated from danger zones, including several thousand tourists from resorts along the northern coast.

Reports from the island's eastern provinces early Thursday gave a picture of widespread flooding, crop destruction and damage to infrastructure. State media said more than 2,000 houses in Holguin and Guantanamo were below water, and Communist Party officials in Guantanamo said crops of coffee and banana were ruined.

In southern Florida, just 90 miles (145 kilometers) from Cuba at its closest point, hurricane preparations moved into high gear as the National Hurricane Center put the region from Deerfield Beach southward on the east coast and from Bonita Beach south on the west coast under a hurricane warning, alerting people to hurricane conditions within 24 hours.

Miami-Dade County urged residents to leave barrier islands and flood zones, including Miami Beach with some 100,000 residents, posh Key Biscayne and the southern Miami suburbs of Homestead and Florida City, which were hit hard by Andrew in 1992.

People living in flimsy mobile homes were ordered to evacuate. Tourists boarded buses for central Florida as shelters for up to 10,000 people opened across the county.

The 80,000 residents of the Florida Keys, where the storm is most likely to hit land in the United States, were ordered out of the 100-mile-long island chain Wednesday.

Key West police said alcohol sales would be halted and a curfew imposed at 9 P.M. Thursday.

"Those people who have stayed behind, you are taking a tremendous risk," Jerry Jarrell, director of the National Hurricane Center, told people in the Keys. "We urge you to take this last opportunity to evacuate."

The hurricane's sustained winds strengthened to 80 miles an hour as its eye trekked along the north Cuba coast, inundating the island with nearly 7.9 inches (20 centimeters) of rain in some areas.

Astronomers Discover 2 Planets With Notable Orbits

By Kathy Sawyer
Washington Post Service

WASHINGTON — Astronomers aided by a precocious amateur have discovered two more planets orbiting sun-like stars, including one with the most Earth-like orbit of any of the new worlds detected so far.

The discovery brings the total number of confirmed extrasolar planets to a dozen. But, until now, all the planets were in orbits much closer to, or much farther from, their stars than is Earth, whose distance from the sun's warmth is within the so-called life zone, where conditions are neither too hot nor too cold for life to evolve.

"We wondered if nature rarely puts planets at one Earth-sun distance," said Geoffrey Marcy of San Francisco State University and the University of California at Berkeley, whose team detected the new planets with the powerful Keck telescope in Hawaii. "Now we know that such planets are not rare."

It is unlikely that this particular planet harbors life. Located around a star known only as HD210277, 68 light-years away in the direction of the constellation Aquarius, the planet is about the mass of Jupiter, Mr. Marcy said, which means it is most likely also another gas giant with no solid surface.

Moreover, while the planet's average distance from its star is just slightly greater (by about 15 percent) than the Earth-sun distance of 93 million miles (150 million kilometers), this planet travels along an oval-shaped orbit. At the closest, it is half that distance from its star, and at the farthest, it is 1.6 times as far out as Earth, with associated climate swings. Earth's orbit is almost perfectly circular.

The second newly discovered planet is another oddball. It whips around its star at the smallest distance found so far, about 4 million miles. The yellow star HD187123, a near twin of the sun, is 154 light-years away in the direction of the constellation Cygnus, or the Swan.

The two planets are the first found solely based on data from a new 430-star survey using the Keck, atop the extinct volcano Mauna Kea, and a special instrument built by Steven Vogt of the University of California, Santa Cruz. If statistical projections hold up, Mr. Marcy said, the survey will produce 25 to 30 planets.

"It's nice that we're no longer just catching 'butterflies' one by one," he said, "but can begin to see the colors and schematics."

The team also accepted help from an unlikely source: an English student who contacted them by electronic mail last year, Mr. Marcy said, "out of the blue."

Kevin Apps, now a sophomore at the University of Sussex, politely asked for a copy of their list of target stars, and Mr. Marcy, intrigued, sent it to him.

Mr. Apps soon sent another message suggesting that 30 stars on the list were, for various reasons, unlikely to harbor planets. He had determined this by using new satellite data available on the Internet about features like the stars' temperatures, luminosity and composition.

Indignant at first, Mr. Marcy said, his team checked the numbers and found he was right. Mr. Apps next dared to suggest 30 replacement stars that were more promising candidates. Once again, the Marcy team took him up on his offer.

On the student's proposed list was HD187123 — host of one of the newly discovered planets.

"I don't think I can put into words how I feel," said Mr. Apps, who has been an amateur astronomer since age 7.

"A dynamo," Mr. Marcy said of the student, whom he has never met. "He is now our main source of target stars."

Greek Workers Open Fight Against Reforms

Reuters

ATHENS — Greek airport and transport workers spurned government reform efforts on Thursday, kicking off a new strike season with work stoppages.

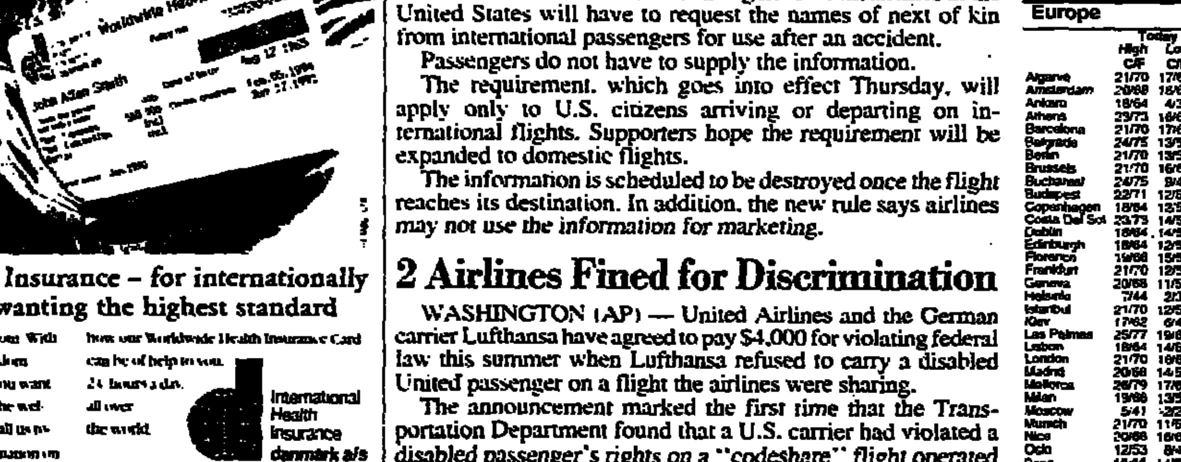
A strike also was expected to continue among state doctors who have rejected government plans aimed at making the hospital system more efficient.

Airport officials said that about half of scheduled flights in and out of the country would be canceled or delayed.

Airport staff including baggage handlers and drivers but excluding pilots and air traffic controllers have called a four-day strike against reorganization plans.

Trolley, bus and commuter train workers held a six-hour walkout to protest planned public transport reforms.

The Socialist government has launched a series of plans to streamline Greece's public services, in part linked to the country's drive to prepare its economy for Europe's economic and monetary union.



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TRAVEL UPDATE

Next of Kin to Be Sought Oct. 1

WASHINGTON (AP) — Starting next week, airlines in the United States will have to request the names of next of kin from international passengers for use after an accident.

Passengers do not have to supply the information.

The requirement, which goes into effect Thursday, will apply only to U.S. citizens arriving or departing on international flights. Supporters hope the requirement will be expanded to domestic flights.

The information is scheduled to be destroyed once the flight reaches its destination. In addition, the new rule says airlines may not use the information for marketing.

2 Airlines Fined for Discrimination

WASHINGTON (AP) — United Airlines and the German carrier Lufthansa have agreed to pay $4,000 for violating federal law this summer when Lufthansa refused to carry a disabled United passenger on a flight the airlines were sharing.

The announcement marked the first time that the Transportation Department found that a U.S. carrier had violated a disabled passenger's rights on a "codeshare" flight operated by a foreign carrier.

On June 17, a partly paralyzed passenger in a wheelchair traveled from Seattle to New York on a United flight. He then tried to transfer to a United flight to Frankfurt, operated by Lufthansa, but Lufthansa staff members refused him, saying that he could not assist in his evacuation in case of emergency.

The Transportation Department said that because the passenger flew across county without assistance and because he made it down the boarding ramp without help, he could have assisted in his evacuation from the aircraft.

A two-day strike by three small Air France pilots unions disrupted medium-haul traffic at Paris airports Thursday but was expected to cause few cancellations Friday. (AFP)

WEATHER

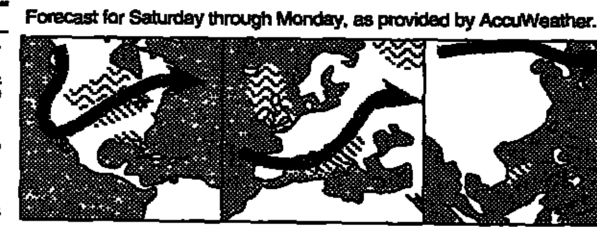
Europe

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Algarve	21/70	17/62	sh	22/71	16/61	pc
Amsterdam	20/68	16/61	c	22/71	14/57	sh
Ankara	18/64	4/39	pc	22/71	5/41	s
Athens	23/73	16/61	s	26/79	17/62	s
Barcelona	21/70	17/62	sh	23/73	15/59	c
Belgrade	24/75	13/55	s	23/73	15/59	sh
Berlin	21/70	13/55	pc	22/71	16/61	c
Brussels	21/70	16/61	c	22/71	13/55	c
Bucharest	24/75	9/48	pc	26/79	12/53	s
Budapest	22/71	12/53	s	18/64	15/59	r
Copenhagen	18/64	12/53	pc	18/64	14/57	pc
Costa Del Sol	23/73	14/57	pc	22/71	16/61	c
Dublin	18/64	14/57	sh	19/66	13/55	c
Edinburgh	18/64	12/53	sh	17/62	12/53	r
Florence	19/66	15/59	r	24/75	16/61	pc
Frankfurt	21/70	12/53	pc	23/73	14/57	c
Geneva	20/68	11/52	c	22/71	11/52	c
Helsinki	7/44	2/35	c	6/43	5/41	r
Istanbul	21/70	12/53	s	22/71	14/57	s
Kiev	17/62	6/43	pc	16/61	8/46	s
Las Palmas	25/77	19/66	s	26/79	21/70	s
Lisbon	18/64	14/57	r	18/64	14/57	c
London	21/70	16/61	r	21/70	12/53	r
Madrid	20/68	14/57	sh	21/70	9/48	pc
Mallorca	26/79	17/62	pc	28/82	16/61	pc
Milan	19/66	13/55	sh	22/71	15/59	r
Moscow	5/41	-2/29	c	6/43	2/35	c
Munich	21/70	11/52	pc	23/73	12/53	pc
Nice	20/68	16/61	sh	23/73	17/62	r
Oslo	12/53	8/46	c	12/53	10/50	r
Paris	19/66	14/57	r	18/64	11/52	r
Prague	20/68	10/50	pc	22/71	13/55	c
Reykjavik	9/48	4/39	c	6/43	0/32	pc
Riga	11/52	4/39	pc	13/55	8/46	c
Roma	21/70	16/61	r	26/79	17/62	pc
St. Petersburg	6/43	1/34	sh	6/43	4/39	sh
Sofia	21/70	11/52	pc	23/73	12/53	pc
Stockholm	10/50	6/43	c	12/53	9/48	sh
Strasbourg	23/73	14/57	pc	24/75	13/55	c
Tallinn	8/46	3/37	pc	8/46	6/43	sh
Tbilisi	26/77	13/55	pc	24/75	13/55	pc
Venice	19/66	16/61	r	22/71	16/61	sh
Vienna	21/70	13/55	pc	21/70	15/59	c
Warsaw	18/64	8/46	s	21/70	12/53	pc
Zurich	20/68	12/53	c	21/70	13/55	c

Middle East

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Abu Dhabi	41/106	23/73	s	42/107	24/75	s
Beirut	24/75	18/64	s	27/80	20/68	s
Cairo	29/84	17/62	s	32/89	18/64	s
Damascus	27/80	9/48	s	32/89	12/53	s
Jerusalem	23/73	12/53	s	27/80	14/57	s
Luxor	34/93	14/57	s	35/95	16/61	s
Riyadh	41/106	22/71	s	41/106	23/73	s
Tehran	34/93	21/70	s	32/89	21/70	pc

Forecast for Saturday through Monday, as provided by AccuWeather.



North America
Hurricane Georges will move away from southern Florida Saturday, into the north-central Gulf of Mexico Sunday, perhaps threatening Louisiana by early next week. Very warm in the Northeast with some sun this weekend; it may thunderstorm by Monday. Sunny, hot and dry in the Southwest.

Europe
Dry and mild in Italy Saturday, but rain will move through Sunday into Monday. Rainy and cool in London and Paris this weekend, but drying out early next week. A few showers will dampen parts of Scandinavia. Showers and thunderstorms will cross central Europe, including Berlin and Vienna.

Asia
Dry with plenty of sun in Beijing and Seoul Saturday, partly sunny Sunday and Monday; spotty showers. Dry most of Saturday in Tokyo, but showers may arrive Saturday night and continue into Sunday; drying out Monday. Monsoon rain will persist over the southern third of India.

Maps, forecasts and data provided by AccuWeather, Inc. ©1998 • http://www.accuweather.com

North America

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Anchorage	12/53	2/35	r	9/48	0/32	pc
Atlanta	30/86	17/62	s	29/84	19/66	r
Boston	24/75	14/57	pc	25/77	16/61	pc
Chicago	24/75	17/62	pc	27/80	17/62	sh
Dallas	34/93	22/71	s	31/88	21/70	c
Denver	28/82	10/50	s	24/75	5/41	sh
Detroit	26/79	18/64	pc	27/80	16/61	pc
Honolulu	30/86	23/73	pc	31/88	23/73	pc
Houston	33/91	23/73	pc	31/88	22/71	c
Los Angeles	26/79	18/64	pc	29/84	14/57	pc
Miami	29/84	24/75	r	32/89	27/80	pc
Minneapolis	23/73	14/57	pc	25/77	13/53	sh
Montreal	21/70	12/53	sh	23/73	16/61	pc
Nassau	30/86	26/79	r	34/93	26/79	pc
New York	26/79	16/61	s	28/82	18/64	s
Orlando	31/88	24/75	sh	32/89	24/75	pc
Phoenix	37/98	21/70	s	34/93	19/66	s
San Fran.	21/70	12/53	pc	23/73	12/53	s
Seattle	20/68	11/52	pc	20/68	11/52	s
Toronto	23/73	12/53	pc	26/79	16/61	pc
Vancouver	17/62	9/48	s	21/70	14/57	s
Washington	28/82	17/62	s	29/84	19/66	pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather.

Asia

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Almaty	31/88	15/59	s	31/88	14/57	s
Bali	31/88	24/75	r	29/84	25/77	t
Bangkok	33/91	25/77	r	33/91	26/79	sh
Beijing	34/93	18/64	s	31/88	16/61	s
Bombay	33/91	26/79	pc	33/91	27/80	pc
Calcutta	34/93	26/79	pc	34/93	27/80	pc
Chiang Mai	33/91	24/75	pc	33/91	24/75	c
Colombo	27/80	26/79	r	27/80	25/77	r
Hanoi	32/89	26/79	t	32/89	26/79	pc
Ho Chi Minh	31/88	24/75	t	32/89	25/77	r
Hong Kong	29/84	24/75	pc	29/84	26/79	pc
Islamabad	38/100	20/68	s	38/100	21/70	s
Jakarta	33/91	23/73	pc	32/89	24/75	pc
Karachi	37/98	26/79	s	38/100	26/79	s
K. Lumpur	31/88	26/79	sh	33/91	25/77	sh
K. Kinabalu	30/86	26/79	sh	31/88	25/77	r
Manila	31/88	24/75	r	32/89	24/75	r
New Delhi	32/89	25/77	r	33/91	24/75	pc
Phnom Penh	30/86	24/75	t	31/88	25/77	r
Phuket	33/91	26/77	r	33/91	26/79	sh
Rangoon	32/89	25/77	pc	32/89	26/79	pc
Seoul	27/80	15/59	pc	29/84	16/61	s
Shanghai	27/80	19/66	s	27/80	21/70	s
Singapore	30/86	24/75	r	31/88	24/75	s
Taipei	28/82	23/73	c	29/84	24/75	pc
Tokyo	29/84	23/73	pc	27/80	24/75	r
Vientiane	33/91	23/73	s	32/89	23/73	pc

Africa

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Algiers	28/82	19/66	pc	29/84	17/62	s
Cape Town	11/52	2/35	pc	12/53	3/37	pc
Casablanca	22/71	14/57	s	22/71	17/62	pc
Harare	27/80	12/53	s	28/82	12/53	s
Johannesburg	31/88	14/57	s	27/80	15/59	pc
Lagos	29/84	24/75	pc	29/84	24/75	t
Nairobi	28/82	11/52	s	28/82	12/53	pc
Tunis	31/88	20/68	pc	34/93	22/71	s

Latin America

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Buenos Aires	23/73	14/57	pc	17/62	[illegible]	[illegible]
Caracas	30/86	20/68	pc	29/84	21/70	pc
Lima	22/71	16/61	s	21/70	16/61	pc
Mexico City	24/75	15/59	sh	19/66	13/55	c
Rio de Janeiro	23/73	18/64	c	24/75	20/68	pc
Santiago	15/59	-1/31	r	13/55	3/37	pc

Oceania

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Auckland	19/66	12/53	s	18/64	16/61	c
Sydney	17/62	10/50	pc	18/64	14/57	pc

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ISRAEL	NIS	263	105	60%
ITALY	ITL	145,600	58,000	60%
JAPAN	¥	26,000	12,150	53%
MALAYSIA	RM	203	108	49%
NETHERLANDS	NLG	195	78	60%
NORWAY	NOK	832	390	53%
SINGAPORE	S$	161	82	49%
SPAIN	PTAS	11,700	5,000	57%
SWEDEN	SEK	832	350	58%
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USA	$	78	43	45%

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هكذا من الأصل

THE AMERICAS

Hillary Clinton Hits the Hustings

Stepping Into Her Husband's Shoes, First Lady to Campaign in 5 States

New York Times Service

NEW YORK — A trip to New York by Hillary Clinton to campaign for the Democratic Party challenger of Senator Alfonse D'Amato signals a new public role for the first lady in the fall congressional races: She will campaign in five states over three days, part of what her press secretary, Marsha Berry, described as "her fall initiative."

The eagerness with which the Democrat, Representative Charles Schumer embraced her Wednesday — in contrast to the reluctance many Democrats have showed to appearing with her husband since he acknowledged an affair with a White House intern — left little doubt that the first lady would fill the election season role that in normal times would have been assumed by President Bill Clinton.

Although the president is also campaigning on behalf of congressional candidates through the weekend, most of his appearances are closed to cameras, often by the choice of the local candidates *themselves*.

Mrs. Clinton characterized Senator D'Amato as a "Jesse Helms clone" who had repeatedly voted to keep women "down and back" during his 18 years in Washington.

Appearing at once spirited and sober, the first lady glided Wednesday from a luncheon fund-raiser at a nightclub in midtown Manhattan to a basement shelter for battered women on Manhattan's Lower East Side, using every appearance to assail Mr. D'Amato and talk up the credentials of his opponent in the New York Senate race, Mr. Schumer.

Mrs. Clinton described Mr. Schumer as one of Mr. Clinton's most steadfast supporters in Congress, crediting him with supporting legislation to curb crime and benefit women. By contrast, Mrs. Clinton referred to Mr. D'Amato, who once spearheaded congressional investigations into the Clintons' Whitewater land dealings, only as "Chuck's opponent."

"I think it's fair to say that Chuck's opponent has voted in a way that puts him in the same category as those in the Senate who are consistently voting to keep women down and back," Mrs. Clinton said at the $1,000-a-head fund-raiser for Mr. Schumer's campaign, where she criticized Mr. D'Amato's stance on abortion. "His voting record on choice is the same as Jesse Helms." She added: "The people of New York need to know that you do not need a Jesse Helms clone in the United States Senate."

Mr. D'Amato and his campaign — while contributing to what has become a daily stream of invective on paper and on television from both candidates — declined to comment on the first lady's remarks.

Instead, Mr. D'Amato's press secretary, Harvey Valentine, offered a list of testimonials from women to Mr. D'Amato, including one from Susan Molinari, the former Republican representative from Staten Island, and assailed Mr. Schumer for attacking Mr. D'Amato.

■ Dole Says Clinton Has 'Reached Out' to Him

Former Senator Bob Dole said Thursday that Mr. Clinton, who defeated him in 1996, has "reached out to me" for help with former colleagues as Congress moves forward with its impeachment proceedings. The Associated Press reported from Washington.

Mr. Dole said it was too early to tell whether he could play a role in brokering a deal and premature to talk of a quick resolution that would result in censure of Mr. Clinton rather than impeachment.

On NBC television, Mr. Dole said that while he did not mind Mr. Clinton seeking his help, "the president himself kept this going for eight months." He said House Democrats' new proposal for a 30-, 40- or 50-day timetable for an impeachment proceeding is "not going to happen."

Mr. Dole said he has talked to individuals who are no longer in government but are trying to help the president. "And I told them very clearly I thought it was premature to talk about censure."

The former Kansas senator said that he and Mr. Clinton were "at ease" with each other, adding, "I have a feeling that when he asks me to do something that's in the national interest, you forget about politics."

POLITICAL NOTES

Accord on Easing Visa Terms

WASHINGTON — The White House and congressional leaders have agreed on legislation to increase the number of foreign workers who can get visas allowing them to fill high-technology jobs in the United States.

The measure is supported by computer and other technology companies, but it was opposed by labor unions, and until now the Clinton administration had said it would veto the bill.

On Wednesday, the White House said that it had won concessions from Congress, including hundreds of millions of dollars for training programs for American workers, to be paid for by fees charged for each foreign applicant who receives one of the special visas.

"With the White House now on board, I hope we can get this law enacted very quickly," said Senator Spencer Abraham, Republican of Michigan, who is chairman of the subcommittee on immigration of the Senate Judiciary Committee.

Under the compromise, the number of workers admitted into the United States because of their special skills would rise from 65,000 a year to about 115,000 a year for the next three years. This year, the annual limit was filled in May, and there is now a backlog of tens of thousands of applicants for the visas. *(NYT)*

The Pentagon Decries 'Lard'

WASHINGTON — Even as its leaders accuse the Clinton administration of failing to fully fund the military's requirements, Congress larded its $271 billion defense bill with $400 million worth of cargo planes that the Pentagon says will drain money from more urgent needs.

The addition of the seven C-130s extends a long tradition. Since 1978, Congress has added 263 of the workhorse cargo planes to defense spending measures, to the delight of lawmakers whose local Air National Guard and Air Force Reserve units have received most of them.

Military leaders have begun complaining loudly that the flat budgets of recent years are proving insufficient to adequately fund the services, maintain military equipment and provide a level of compensation that will lure high-quality troops.

When budgets are generous, "you can cope better with this kind of pork," said one army officer. But with many field commanders now struggling to cover the cost of routine needs, he said, "this really begins to smell like a pig." *(LAT)*

Quote/Unquote

Bob Dole, who lost the 1996 election to Bill Clinton, giving Republicans a word of caution on the Lewinsky scandal: "I want to say to my Republican colleagues: Don't try to overplay your hand. Don't try to outsmart yourselves." *(NYT)*

FOR INVESTMENT INFORMATION
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Jeff Kowalsky/Agence France-Presse

A Michigan video firm worker readying copies of Bill Clinton's grand jury testimony for shipment to stores.

House Panel Sifts the Remaining Boxes

Tripp Tapes Divide Committee as Deadline on Blocking Release Looms

By Guy Gugliotta and Juliet Eilperin
Washington Post Service

WASHINGTON — There are tens of thousands of pages left. There are raw FBI files and transcripts of grand jury testimony by Vernon Jordan Jr., Betty Currie and Secret Service agents. The Linda Tripp tapes are there, but Monica Lewinsky's fabled blue dress is not.

House Judiciary Committee staff members are still reading, and they have already made hundreds of proposed redactions to the remaining material from the investigation by the independent counsel, Kenneth Starr, of President Bill Clinton's involvement with Ms. Lewinsky.

On Friday, the committee will decide how much of the material to release and how much to withhold. While there is agreement on the majority of proposed cuts, sources say, there is enough contentious material to keep the panel arguing for hours.

Chief among these, the sources say, are the tapes of Ms. Lewinsky's telephone conversations with Ms. Tripp, which Democrats say will bolster Mr. Clinton's cause dramatically.

On Wednesday, the sources said, Republican and Democratic staff agreed to release transcripts of the Tripp tapes, but Republicans balked at releasing the tapes themselves.

According to the sources, the tapes support Ms. Lewinsky's belief that her affidavit denying a sexual relationship with Mr. Clinton could be accurate because she and the president had not had intercourse. The recordings, the sources said, demonstrate more dramatically than the transcript that Ms. Tripp was trying to manipulate her younger friend.

The sources said the tapes not only contain more graphic sexual descriptions than other transcripts, but controversy has also arisen because their accuracy remains in doubt. Mr. Starr's investigators are still analyzing whether the tapes were tampered with.

In his report to the House, Mr. Starr said that of the 27 tapes Ms. Tripp turned over to his office in January, nine were made on a recorder other than the one Ms. Tripp testified she had used, and one contained evidence that it had been started and stopped during the recording.

Among Democrats, Representative Martin Meehan of Massachusetts questioned why the panel would consider publishing such material "without some kind of FBI ruling" on tampering.

A Republican committee member raised similar concerns, saying, "If the credibility or authenticity or reliability of those tapes are called into question, that's something we should take into consideration before we release them."

But others questioned why the Republicans would hold back Ms. Tripp's tapes after pushing so aggressively for the release of other information.

"Republicans are talking about full disclosure," said Representative Jerrold Nadler, Democrat of New York, noting that every Republican on the committee had voted to release the videotape of Mr. Clinton's grand jury appearance. "It would be awfully hypocritical if they went about saying, 'No, not these tapes.'"

Under the House resolution governing release of the Starr report, all 16 remaining boxes of supplementary material must be released Monday unless the Judiciary Committee decides to redact them Friday.

That means staff members must look at everything in order to brief members. It is, a source said, "an absolutely awful job," involving virtual round-the-clock visits to a stuffy, secure room in a former FBI fingerprint center.

Democrats are pushing for what they say is even more evidence that Mr. Starr has not yet given the House. Democratic sources said Wednesday that they believed Mr. Starr's office had indicated to Judiciary Committee aides that 20 additional boxes of material remained.

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THE AMERICAS

Republicans Scent Electoral Blood

Vote in November Is a Big Factor in Clinton Impeachment Inquiry

By Richard L. Berke
New York Times Service

WASHINGTON — While congressional Republicans say that President Bill Clinton's conduct forces them to march ahead past Election Day down the road toward impeachment, they are also motivated by a sense that the White House scandal is beginning to exact a toll from Democratic candidates.

Those Republicans willing to discuss their strategies said they were undaunted by Mr. Clinton's seemingly untouchable job approval ratings.

They said their considerations go far deeper than polls and involve such matters as the subtleties of voter turnout, the demographic composition of House districts and a wide perception that Democrats are on the defensive and have been hard-pressed to convey their messages to voters. While the political results of the Monica Lewinsky scandal are still largely amorphous, it is nevertheless possible to point out ways that it could damage Democrats.

After all, a weak candidate may be a weak candidate with or without the scandal.

The biggest peril, Democrats say, is in very close races where, if realized, projections of a dip in turnout among Democrats who are enraged by Mr. Clinton could cost them the election, particularly if Republicans vote in greater numbers than usual.

Unlike a presidential election year when the candidates' prime concern is appealing to swing voters, many contenders for Congress this year are far more worried about prodding members of their own party to go to the polls.

"The great danger to Republicans would be to tell their base that the party is shutting down the inquiry for whatever reason before the election," said Vin Weber, a former Republican representative from Minnesota, who is close to the House speaker, Newt Gingrich.

"Right now, the turnout model is favorable to Republicans because of indignation over the president's situation among base Republican voters," Mr. Weber added.

That advantage would be forfeited, he said, if there is "any perception that Republicans have cut a deal to sweep this under the rug."

Democratic Party officials in Washington are especially worried about a handful of open House seats that have become toss-ups, races where the Democrats were initially considered stronger, better-financed candidates.

Another troubling sign for Democrats is that many of the most hotly contested House seats in the November elections are in districts with small percentages of black voters. Blacks are always among the most loyal Democrats and are considered to be least likely to turn on the president or the party.

An increasing number of Republican incumbents are breaking through 50 percent support in the polls — an important threshold in assessing the strength of a candidate going into the general election.

In California, for example, Senator Barbara Boxer, a Democrat, faces a tough challenge from Matt Fong, who is slightly ahead in the latest polls.

The Fong campaign hopes that voters are put off by Ms. Boxer's close connection to the president: Her daughter is married to the brother of Hillary Rodham Clinton.

"When you talk to Republican offices, they're getting telephone calls, faxes and e-mails saying, 'Impeach the guy tomorrow!'" said Grover Norquist, president of Americans for Tax Reform and an adviser to Mr. Gingrich.

"Democrats are not making a case to their base," he added. "There's no wing of their party that's in favor of mauling women."

An official in the Democratic congressional leadership did not dispute the assessment, saying: "There's a reason our members are nervous. In a lot of these marginal districts, we have no base."

Still, even some Republicans recognize the risk in prolonging the impeachment inquiry.

They warn that the longer it persists, the better the chance that it might embolden angry Democrats to go to the polls to vent their outrage at Republicans for prolonging the scandal for partisan reasons.

"They have to be careful how they conduct themselves," Mr. Weber said of his Republican colleagues.

As Senator Tom Daschle of South Dakota, the Democratic leader, warned Wednesday, "I think that the more partisan this whole matter becomes, the less tolerant the American people will be and the more difficult it will be to bring this process to a successful conclusion."

Charles Cook Jr., an independent political analyst, said he expected that Democrats would rise up and accuse Republicans of needlessly prolonging the inquiry.

"I'd still rather be a Republican than a Democrat this year," Mr. Cook said. "But I think they're playing with fire here."

Away From Politics

• **The annual cash bonus each Alaskan receives for living with bears,** bitter cold and big oil will be a record $1,540.88, thanks to a booming stock market. "The stock market has been good to us in recent years," the revenue commissioner, Wilson Condon, said before he made the most-awaited announcement of the year in Alaska: the amount of the dividend. *(AP)*

• **Parole has been denied to one of three men serving life terms in California** for hijacking a school bus full of children in 1976 that was dumped in a quarry. Richard Schoenfeld was denied parole because of "the gravity of the offense," a State Board of Prison Terms spokeswoman said. He will be eligible for parole again in a year. *(AP)*

• **NASA decided to haul the space** shuttle Discovery off its launch pad and out of harm's way as the hurricane designated Georges headed toward Florida. But the space agency said it did not expect to delay the shuttle's Oct. 29 launch, when Senator John Glenn is scheduled to be aboard. *(Reuters)*

EL SALVADOR PROTEST — Former civil defense soldiers troops throwing rocks at policemen trying to break up their protest. They are demanding $2,000 each for their work during the 12-year civil war.

Conflict of Interest Snag for Holbrooke?

The Associated Press

WASHINGTON — Richard Holbrooke's nomination to become the chief U.S. delegate to the United Nations has run into problems over allegations that he helped a foreign bank while working for the State Department, sources said Thursday.

Mr. Holbrooke was nominated by President Bill Clinton to the post in June, but the Senate has suspended his confirmation proceedings and launched an investigation of his past activity on the basis of an anonymous letter.

The letter, a copy of which was obtained by The Washington Post, accused Mr. Holbrooke of helping Credit Suisse First Boston Corp. land a Hungarian government deal in 1995.

Nine months later, Mr. Holbrooke left the State Department and became deputy chairman of the same bank.

"CSFB was always fully aware that Mr. Holbrooke would remain an envoy for the U.S. government while he worked as an investment banker," a spokesman for the bank in New York told Agence France-Presse.

"He performed these independent responsibilities appropriately and separately."

During his work for Credit Suisse First Boston, Mr. Holbrooke, who brokered the 1995 Dayton peace agreement for Bosnia, continued to serve the government as an adviser on Bosnia and an envoy to Cyprus.

The letter, sent to Congress by a State Department employee, said Mr. Holbrooke telephoned the U.S. ambassador in Budapest in May 1995 at Credit Suisse First Boston's behest, urging him to withdraw his exclusive support for Salomon Brothers Inc. as advisers for the privatization of the Hungarian telephone company.

A source confirmed to AFP there had been such a telephone call, but said that it was made to "correct the record" and ensure that other U.S.-based firms could bid for the contract.

Mr. Holbrooke's intervention, the source said, was in keeping with Commerce Department regulations, which permit U.S. government advocacy on behalf of foreign firms that employ U.S. citizens and have substantial activity in the United States.

The source said there was no "quid pro quo" between Mr. Holbrooke's discussions with the ambassador in Budapest and the decision by Credit Suisse First Boston to hire him.

"He had years of experience as an investment banker. He could have worked anywhere on Wall Street," said the source, who asked not to be named.

The White House spokesman, Michael McCurry, told The Washington Post that he hoped the investigation of Mr. Holbrooke would soon be over and that his nomination could once again be taken up by the Senate.

Given the upcoming November legislative elections, however, Mr. McCurry said he did not expect the nomination to be considered before the beginning of next year.

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ASIA/PACIFIC

Apparent Attempt Made to Kill Cambodia Leader

The Associated Press

SIEM REAP, Cambodia — New lawmakers were sworn in Thursday at Cambodia's Angkor Wat complex, but an alleged attempt to kill the country's leader, Hun Sen, showed that the political climate remained unstable.

Mr. Hun Sen was unhurt, but a 12-year-old boy died when what police called a booby trap made with rocket-propelled grenades exploded as Mr. Hun Sen's convoy passed by on its way to the swearing-in ceremony. Three members of the boy's family were badly injured.

Mr. Hun Sen suggested the attack was the work of opposition parties, linking it to another violent incident earlier this month, and vowed retribution. He offered a $200,000 reward and amnesty to the attackers if they would step forward and name their ringleader.

"If the opposition leaders do not instruct their forces to stop activities which threaten my life, they would die with the most severe suffering," Mr. Hun Sen said. "For a snake, if we don't hit it on the head, it can still move and bite back, so we must hit it on the head, not its tail.".

Previous alleged attempts on Mr. Hun Sen's life have prompted harassment and arrests of his opponents.

Thursday's incident took place shortly before 121 elected lawmakers gathered in traditional formal dress at the residence of King Norodom Sihanouk for the opening of the new session of the National Assembly.

It was supposed to mark a major step toward restoring political stability after bitter postelection sparring, and in a brief speech at his royal residence the king urged national reconciliation.

The swearing-in followed weeks of jousting between Mr. Hun Sen's ruling Cambodian People's Party, which captured a majority in elections held July 26, and the two opposition parties, which said Mr. Hun Sen won the polls through fraud and intimidation.

The opposition leaders Prince Norodom Ranariddh and Sam Rainsy said they knew nothing about Thursday's attack.

Mr. Sam Rainsy, a bitter critic of Mr. Hun Sen who himself has been the target of apparent assassination attempts, questioned the details of the incident.

"We are here together; who is the target?" he asked. "Was it a serious try or not? Who can tell?"

Mr. Hun Sen's national police chief, Hok Lundy, blamed Prince Ranariddh's party and the Sam Rainsy Party for the blast.

He said eight people were being detained for questioning.

The police found three unexploded rockets that were part of what they said was the remote-control booby trap used in the attack.

On Sept. 7, a grenade was tossed at Mr. Hun Sen's residence in the capital, Phnom Penh, but he was not home. No one was injured and little damage was done.

The opposition charged that Mr. Hun Sen staged the incident for an excuse to crack down on his opponents. He banned anti-government demonstrations the next day and threatened his opponents with arrest.

Minutes after Thursday's explosion, Mr. Hun Sen looked calm when he arrived at Sihanouk's residence.

The 75-year-old monarch spoke to lawmakers before they traveled to the nearby 12th-century Angkor Wat complex, where they were officially sworn in by Siem Reap's chief monk. All but one of the 122 newly elected representatives attended.

King Sihanouk called on them to reach "an honorable compromise" to form a new government and work quickly to end corruption, poverty and deforestation.

Mr. Hun Sen ousted Prince Ranariddh as co-prime minister in a bloody coup last year.

David van der Veen/Agence France-Presse

Explosives experts inspecting the scene Thursday where an attempt was apparently made to kill Hun Sen.

TREATY: *Nuclear Agreement*

Continued from Page 1

Bill Clinton of bargaining away sanctions on India imposed after its nuclear tests in May in return for Indian support for the test ban treaty and another treaty barring the spread of nuclear weapons and arms technology.

Sanctions were also imposed on Pakistan, which followed India with tests of its own. On Wednesday, Mr. Sharif tied Pakistan's lifting of sanctions to his decision to sign the test-ban accord. Sanctions have hit Pakistan hard.

In a letter to Mr. Clinton, three Republican senators — Jesse Helms of North Carolina, the Foreign Relations Committee chairman; Trent Lott of Mississippi, the majority leader, and Jon Kyl of Arizona — said they opposed lifting sanctions as a price for adhering to nuclear agreements.

The senators wrote that "as the recent Indian nuclear tests demonstrated," the test ban treaty "is not adequately verifiable." They said they also opposed the export of high-technology goods to India and the sharing of scientific information that can be used in nuclear programs.

Talks between the United States and India and Pakistan have been going on almost continuously since their nuclear tests in May. The Indian tests embarrassed the American intelligence services as well as the diplomatic corps and made tests by Pakistan inevitable because of the rivalry between them.

Deputy Secretary of State Strobe Talbott has been shuttling to various meetings with South Asian officials in Europe and the region, as well as holding talks in Washington. As the talks progressed, arms control experts said, the bite of sanctions was beginning to be felt in India as well as Pakistan.

BRIEFLY

Indonesian Panel Confirms Rapes

JAKARTA — The government-appointed panel charged with investigating Indonesia's mid-May riots and claims of mass rapes of ethnic Chinese women said Thursday that there was no doubt that rapes took place.

Marzuki Darusman, deputy chairman of the Indonesian Human Rights Commission and head of the investigation, told Parliament, "The issue now is the scale of the rapes — whether it was mass, many or more than 10."

Ethnic Chinese, resented for their perceived wealth, were targeted during the riots that broke out in several cities and that led to the downfall of President Suharto. *(Reuters)*

Top Military Chief In China to Quit

LONDON — China's top military chief will be forced into retirement next month as punishment for a series of recent scandals to hit the People's Liberation Army, Jane's Defense Weekly said.

The latest edition of the magazine said President Jiang Zemin had demanded Zhang Wannian's resignation following incidents that highlighted the People's Liberation Army's involvement in rampant smuggling and other illegal activities.

Mr. Zhang, 71, executive deputy chairman of the Communist Party's Central Military Commission, will step down next month, Jane's quoted Beijing-based sources as saying. *(Reuters)*

Bangladesh Copes

DHAKA, Bangladesh — Prime Minister Sheikh Hasina Wazed of Bangladesh said Thursday that her country had enough food in stock and in the pipeline to overcome losses caused by the country's worst floods ever. *(Reuters)*

For the Record

Nine people at Kyoto University in central Japan became ill with stomach pains and nausea after drinking tea laced with cadmium, a heavy metal that is poisonous, officials said. *(Reuters)*

ANWAR: *Mahathir Dismisses Corruption Charges Made by Ousted Deputy Prime Minister in Videotape as 'Lies'*

Continued from Page 1

price when a unit of the national oil company purchased a shipping concern controlled by Mr. Mahathir's son; and that projects commissioned by the government had benefited Mr. Mahathir's family and friends.

There have been very few accusations of personal corruption lodged against Mr. Mahathir during his 17-year rule.

Even the prime minister's fiercest critics say they do not believe he is motivated by money.

Mr. Anwar has remained in jail under Malaysia's Internal Security Act.

Asked about the tape at a news conference, Mr. Mahathir responded: "You are free to air this every half an hour. Because you own the media and you can tell to the whole world and influence the whole world against us."

Mr. Mahathir added: "We are powerless to do anything against you. So that is your right. What rights I have of course is of no interest to you. You can tell lies. Go on. I don't care. If you want to believe that, you're welcome to believe that."

The tape was broadcast by CNBC Asia, a regional business news network based in Singapore that can be seen by cable subscribers in Malaysia and throughout Asia.

In the tape, both Mr. Anwar and Mrs. Azizah are wearing the same clothes they wore while leading an anti-government rally of about 50,000 people in central Kuala Lumpur on Sunday afternoon. The tape begins with Mr. Anwar delivering a message to his six children.

"You should know that all the accusations that have been hurled towards your father are vicious lies," he said, referring to allegations by Mr. Mahathir that Mr. Anwar had been involved in adulterous and homosexual acts. "I hope that with your mother's guidance you will not be discouraged."

An adopted brother of Mr. Anwar and a former speechwriter were jailed for six months Saturday after being found guilty of allowing Mr. Anwar to sodomize them. Mr. Anwar said they had been "forced, threatened or beaten" by security forces and that he faced the same threat.

Speaking in Malay, Mr. Anwar repeated his claim that he was a victim of a political conspiracy by Mr. Mahathir and his political and corporate allies.

"The reason why they are afraid of me is because I know too much about their secrets," he said.

Mr. Anwar said that 2 billion ringgit ($526.3 million) belonging to the ruling party, the United Malays National Organization, had been "pocketed for the interest of a small number of people" — he did not name them — and that more money had been taken from the party and sent abroad.

"I know that a lot of money — about a billion — in October was taken out of our country to a bank account in Zurich," he said. It was not clear whether Mr. Anwar meant a billion dollars or a billion ringgit. He added that he had reported the transfer to the prime minister but that Mr. Mahathir "kept the information to himself."

Mr. Anwar also referred to a deal in April between Konsortium Perkapalan, a transport company controlled by Mr. Mahathir's son, Mirzan, and the state-owned oil company, Petroliam Nasional Bhd., known as Petronas. Mr. Mirzan's cash-strapped company sold its shipping assets to a unit of Petronas in a deal valued at $531 million.

"I and Petronas requested to use international valuers," Mr. Anwar said, referring to his dealings with Mr. Mahathir. "But he got angry with us because he thought the price was supposed to be higher."

At the time of the deal, independent analysts said it had been fairly priced.

Southern Africa

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The International Herald Tribune is convening its fourth annual Southern Africa Trade & Investment Summit in December.

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List in formation

EUROPE

NATO Takes First Step Toward Military Action in Kosovo

By Craig R. Whitney
New York Times Service

VILAMOURA, Portugal — Reinforcing the threat of allied military action against Yugoslavia unless its army and police units stop attacking ethnic Albanian civilians in Kosovo Province, the NATO alliance gave commanders authority on Thursday to ask member nations for the forces needed to carry out the threat with air strikes.

"The credibility of NATO is on the line," the U.S. secretary of defense, William Cohen, said after allied defense ministers met in this seaside resort in the Algarve, trying to find a way to convince the Yugoslav president, Slobodan Milosevic, that they would not allow him to ignore their demands much longer.

"Today, NATO sent a clear message to President Milosevic that it is time to stop the killing and destruction in Kosovo," Mr. Cohen said, calling the move "an important step to avert a humanitarian disaster."

But Thursday's step fell short of a political decision actually to go ahead with military action, and as Mr. Cohen himself said, it was not an ultimatum. Other North Atlantic Treaty Organization ministers said that unless Mr. Milosevic concluded in the next 10 days to two weeks that the allies finally meant it this time and stopped his attacks as they demanded, some 50,000 Kosovans driven without shelter into the Balkan wilderness could die as cold sets in.

Mr. Cohen said that 15,000 Yugoslav Army troops and 11,000 security policemen had been used in attacks against civilians and villages in the campaign against armed ethnic Albanian rebels who are demanding independence for Kosovo. About 250,000 people altogether have fled since the spring, some elsewhere in Serbia and some to neighboring countries.

Military and civilian officials here did not give details of the plans for air strikes, which include both a "limited air option" by American ship-based pilotless cruise missiles against Serbian military targets in Kosovo and beyond, and a "phased air campaign" involving hundreds of planes that could eventually blast command headquarters deep inside Serbia.

"Something has to happen soon — we can't just sit back now," said the German defense minister, Volker Ruehe, who, like Mr. Cohen, said he was worried about lasting damage to the alliance's credibility if Mr. Milosevic was allowed to continue defying warnings the allies have been issuing since last May.

Mr. Ruehe said that Germany was prepared to contribute 14 Tornado fighter-bombers to an air campaign, and called on the alliance to issue an ultimatum within the next 10 days if Mr. Milosevic did not keep promises to stop attacking and let refugees return to safety.

The United States, the Netherlands, Britain, and other countries have also pledged forces. "The United States is not prepared to act unilaterally," Mr. Cohen said Thursday, but he added that the United States believed the alliance had sufficient grounds under international law to act.

Kosovo, whose roughly 2 million people are 90 percent ethnic Albanians, is a province of Serbia, not an internationally recognized independent republic like Bosnia, where NATO warplanes eventually stopped Bosnian Serb attacks in 1995 and where more than 20,000 NATO peacekeepers still are today.

The allies do not support the Kosovan demands for independence now, but they have called on Mr. Milosevic to negotiate with the ethnic Albanian political leadership to restore the autonomy for the province that he rescinded in 1989.

Thursday's authorization by the alliance's permanent political decision-making body for the Supreme Allied Commander in Europe, General Wesley Clark, to ask member countries what forces they would provide was only the first step toward possible military action in Kosovo, an "activation warning" in alliance jargon.

Yugoslavia Accuses UN And NATO

Reuters

BELGRADE — Yugoslavia, under growing threat of NATO military intervention in the Kosovo crisis, accused NATO and the United Nations on Thursday of applying a double standard to Serbia and encouraging separatist terrorism.

The Tanjug press agency said the Yugoslav president, Slobodan Milosevic, and leaders of his ruling Socialist Party had agreed at a policy session that the situation in Kosovo was "normalizing rapidly after the crushing of terrorist gangs."

The party met as the North Atlantic Treaty Organization ordered the Western allies to offer aircraft for possible air strikes against Yugoslavia in the wake of a UN Security Council call to Mr. Milosevic to seek a cease-fire and peace talks with Kosovo Albanians.

The defiant tone of the statement echoed a warning from President Milan Milutinovic of Serbia that the Yugoslav Army would defend itself if NATO attacked.

The statement assailed "a policy of double standards and pressure on this country" that it said was "directly and indirectly assisting Kosovo Albanian terrorists and separatists."

The Western allies, who have taken the lead in demanding action to bring Mr. Milosevic to heel, blame the Yugoslav leader for seven months of bloodshed in Kosovo in which some 700 people have died and as many as 300,000 have been driven from their homes.

The party meeting was called to discuss draft proposals for peace talks prepared by the U.S. mediator Christopher Hill, which will be discussed at a special session of Serbia's Parliament on Monday.

Tanjug gave no indication of the details of Mr. Milosevic's proposed response to the plan, which would turn substantial autonomy over to the Kosovo Albanian leaders over the next three years while an overall political settlement was sought.

Belgrade analysts said the latest initiatives from the Security Council and NATO meant that the threats of intervention should be taken seriously. Serbian political leaders remained publicly defiant, insisting that security forces would not be withdrawn from Kosovo.

Belgium Halts Expulsions After Police Kill a Refugee

By Barry James
International Herald Tribune

BRUSSELS — The Belgian government said Thursday that it was suspending forced repatriations during an inquiry into the death of a 20-year-old refugee who was killed while being forcibly sent back to her native Nigeria.

The death scandalized the nation and threatened the political future of the interior minister, Louis Tobback, who said he took full responsibility for the apparently heavy-handed behavior of police officers.

The police smothered the refugee's face with a cushion, even though she was manacled hand and foot, when she began crying and shouting aboard a Sabena Airlines plane as it was waiting to take off for Lome. Two officers were charged with involuntary manslaughter after the woman went into a coma and died later in hospital late Tuesday.

The case of Semira Adamu could hardly have been more embarrassing for the government. She had touched people with her story of fleeing Nigeria to escape an arranged marriage with a 65-year-old polygamist. She had become a symbol for associations opposing the government's policy of forced repatriation of asylum seekers.

Hundreds of demonstrators — most of them immigrants — gathered outside Mr. Tobback's house and outside the Senate on Thursday where he was speaking, accusing him of indirectly murdering the woman. Some also demonstrated outside the airport detention center for asylum seekers that had been Miss Adamu's last home, and where militants in July cut metal fencing, allowing several inmates to escape.

Officials said police had previously used cushions to stifle the cries of refugees resisting deportation, but officials said the police themselves sometimes were confronted with violence. Belgian airline pilots said they no longer wanted to take part in the deportations, and Sabena said it "deplored" what had happened, but was legally constrained to transport the refugees. The Nigerian Embassy lodged a complaint with the government.

Mr. Tobback's first reaction was to regret the death, but to affirm that the government could not tolerate "people opposing an expulsion order of the competent authorities." After the upsurge of protests and criticism, the minister told the senate that he had passed "the blackest day" of his political career.

As part of the Schengen agreement on free movement in the European Union, Belgium is legally obligated to send back refugees who cannot prove they face political persecution at home. Last year Belgium received 11,792 requests for asylum and deported 6,941 people.

Asked what he meant by taking responsibility, he said, "If you ask me if I'm going to resign, my answer is that I will see in the next few days in the light of events."

Erik Johansen/Reuters

Norway Leader Says He's 'Fit'

Prime Minister Kjell Magne Bondevik of Norway returning to work in Olso on Thursday after three and a half weeks on sick leave for depression. To counter opposition charges that his government had been rendered "weak and unstable," Mr. Bondevik declared that he was "fighting fit."

Court Assails U.K. on Spanking of Boy

By Sarah Lyall
New York Times Service

LONDON — In a sharp rebuke, the European Court of Human Rights has ruled that Britain had failed to adequately protect a 9-year-old boy who was repeatedly struck with a bamboo garden stake by his stepfather.

While the decision stops short of making it illegal for parents to spank their children, it means that Britain will have to rewrite its corporal punishment law.

After the beating took place five years ago, the stepfather was charged with assault and tried in a British court. He was acquitted after arguing that because his actions had taken place after the boy had threatened his brother with a kitchen knife, they represented "reasonable chastisement" under British law.

Lawyers for the boy, who suffered welts on his thighs and buttocks, appealed to the European Court of Human Rights in Strasbourg, France, maintaining that Britain had failed to protect his human rights.

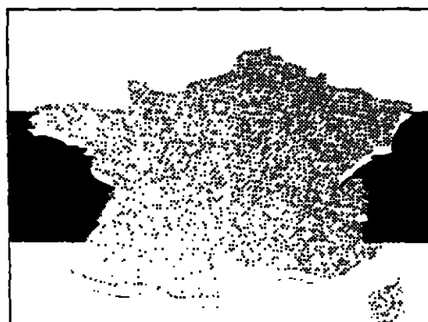
In its decision on Wednesday, the court said the British government was obligated to protect children and "other vulnerable individuals," as well as adults, from assault and ill treatment.

The Labour government said it welcomed the ruling — which stemmed from a case brought against the previous Tory government — and would soon begin exploring ways of reforming the law.

"This is a common-sense decision, which I welcome," said Health Minister Paul Boateng. But Mr. Boateng emphasized that the ruling did not mean an end to parental spanking, or smacking, as Britons call it. "This has nothing to do with the issue of smacking," he said.

"The overwhelming majority of parents know the difference between smacking and beating," he said. "They know how to ensure good social behavior in a loving and caring way, and we respect that right."

Children's advocacy groups welcomed Wednesday's ruling, which also ordered Britain to pay the boy $50,400 in damages and legal costs, but added that they wished that it had gone further and made all corporal punishment illegal.



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Patient in Lyon Gets New Hand

The Associated Press

LYON — An international team of doctors transplanted a hand on an accident victim and claimed a medical breakthrough, a hospital said Thursday.

The right hand and forearm of an anonymous donor was attached to the arm of a 48-year-old man whose own hand was amputated in 1989 after an accident, Edouard Herriot Hospital said in a statement.

The name of the donor was not disclosed, but hospital officials said the individual was a brain-dead patient.

"It gives hope to all those who are victims of domestic or work accidents, anti-personnel mines, or have congenital deformations," Dr. Jean-Michel Dubernard, a co-head of the transplant team, told French TV.

The team attached "all the arteries, veins, nerves, tendons, muscles and skin after setting the two bones of the forearm," the statement said.

The patient was identified as an Australian businessman, France 2 television reported, adding that it would take 12 to 18 months of therapy for him to regain full use of the hand.

The operation was the result of recent advances in microsurgery and transplant techniques, the hospital said.

Dr. Dubernard co-led the team with Earl Owen, director of the Center for Microsurgery in Sydney, Australia.

BRIEFLY

Greek Police Chief Quits After Siege

ATHENS — The Greek police chief stepped down on Thursday in the widespread fallout following a bungled attempt to free three hostages who were held by the country's top fugitive.

The hostage-taker, one captive and 10 police officers — including the police chief, Thanassis Vassilopoulos — were wounded when a hand grenade detonated during the siege.

The operation was criticized as badly mismanaged. Questions were raised about whether top officials were trying to redeem the image of the police, who allowed the convict to escape earlier this month. *(Reuters)*

'Mad Cow' Disease Fought in Portugal

LISBON — The Portuguese cabinet issued a decree Thursday banning the use of suspect animal feed in the food chain in order to stamp out the spread of "mad cow" disease, or bovine spongiform encephalopathy.

Portugal joins France and Britain as the only countries in the European Union that have formally banned the use of potentially harmful animal feed in the animal food chain.

The European Commission is considering taking legal action against Portugal over what it sees as an alarming increase in mad cow disease this year, senior EU officials have said. Portuguese data show more than 50 new cases. *(Reuters)*

Turk Mayor Warns Of Islamic Backlash

ISTANBUL The mayor of Turkey's largest city warned Thursday that his conviction for Islamist activism would backfire on the secular establishment at the ballot box.

Mayor Recep Tayyip Erdogan of Istanbul said: "We will not give up. We will return even more powerful. This unjust verdict does not mean an end to our struggle but just the beginning." *(Reuters)*

For the Record

Eyup Asik, Turkish state minister, resigned from Parliament on Thursday and said he would step down as minister next week, following threats from key left-wing opposition members to bring down the government unless he did so. *(Reuters)*

CROSSWORD

ACROSS
1 Did a little bit
5 Streamliner segment
15 Rex's sleuth
16 Beryl variety
17 Kit Carson's home
18 They may have designs on you
19 Little on the end?
20 23-Across ingredient
21 E.R. A.S.A.P.
22 —— sunt (poetic motif)
23 Pub quaff
25 Word used before now
26 Pennsylvania's —— Mountains
28 Like farmland
30 Social butterfly
34 Movers' inventory
35 The Virginia and the Monitor, e.g.
37 Irate reaction
38 Opens, e.g.
42 Breeds
43 "Another Time" poet and family
45 Journal addendum?
46 STP target
50 Conciliatory gift
51 Precipitate
53 Portrayer of WKRP's Jennifer
54 Part of P.R.
55 Turning away
56 AOL logo, e.g.
59 Having a foot fault?
60 Tattled
61 They may be done on a beam
62 Scrape site

DOWN
1 Dealer's directive
2 Fertilizer source
3 A nice word for dirt?
4 Capsule contents
5 Swinger's club
6 Mideast's Gulf of ——
7 "—— Tag!"
8 Like heaven's entrance
9 "The Cat and the Curmudgeon" author
10 Auditing agcy.
11 Discordia's Greek counterpart
12 Well
13 Southern Hemisphere supergiant
14 Ready to play again
23 Gets game
24 "Rolling stone"
27 Wordsworth, for one
28 Way to go
29 Sized up
31 N.Y. neighbor
32 Private club, for short?
33 English war god
36 Aerodynamic force
37 Patron saint of Palermo
38 Defeatist declaration
40 Non-defeatist declaration
41 Italian ice alternative
42 Part of an angelic host
44 Kind of cake
48 Way of looking at things
47 "Little" girl of old comics
48 Student ——
49 Made it through crunch time?
52 Observe
54 Underwriter's concern
56 Our, in Orléans
57 Mdse.

Solution to Puzzle of Sept. 24

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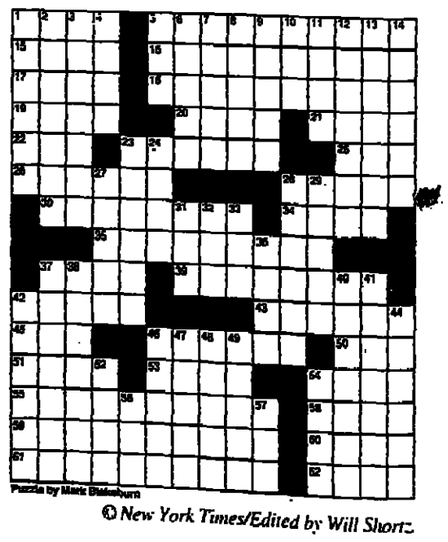

Puzzle by Mark Biderbum

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EUROPE

Kohl's Goal: Revenge by Showing Critics He's Still the Iron Chancellor

By William Drozdiak
Washington Post Service

SCHWERIN, Germany — As the longest-serving leader of any modern democracy, Chancellor Helmut Kohl knows his place in history books is secure.

Once regarded as a provincial politician, he has evolved during his 16 years in office into a visionary statesman who reunited his divided nation and then offered to sacrifice the mark — that proud icon of Germany's economic success — in favor of a single continental currency that he hopes will lead to a United States of Europe.

But as he rushes around the country in the final week of his most difficult political campaign, delivering two or three speeches a day in an uphill battle to persuade voters to grant him an unprecedented fifth term, Mr. Kohl acknowledges that a prime motivation is revenge against his critics.

"I want to complete the construction of the European house and improve living standards in the East so that people in the old Communist part of our country can live as well as in the West," Mr. Kohl explained in a recent television interview. "But most of all, I want to show all those who have written me off that I am still there, standing firm."

Like Churchill, de Gaulle and other European statesmen pushed off the stage by compatriots who felt they had overstayed their welcome, Mr. Kohl knows he is running against the odds and courting the risk of an embarrassing defeat for himself and his ruling Christian Democrats in Sunday's election.

Even though Mr. Kohl has closed the gap in recent weeks, polls show that the opposition Social Democrats and their chancellor candidate, Gerhard Schroeder, still retain a slender advantage of from 2 to 5 percentage points. Many German voters cite their fatigue with the man called the father of German unification.

"It's not healthy for any country to have the same person in power for so long," said Jascha Dopp, 20, a university student and first-time voter, after hearing the chancellor speak at a rally here Tuesday night. "A lot of my friends say they are simply tired of Kohl. He's been around for nearly their entire lives and they want somebody new for a change."

But Mr. Kohl is determined not to go down without a fight. At 68, measuring 1.92 meters (6 feet, 4 inches) and weighing more than 136 kilograms (300 pounds), he shows no signs of a reputed prostate problem and seems to thrive on a punishing schedule that would exhaust much younger men.

As he wades into crowds and presses the flesh at every stop, Mr. Kohl displays a zest for grass-roots politicking that commentators say remains the key to his remarkable electoral record.

"He is a political animal to the core," said Klaus Dreher, his biographer. "He knows the movers and shakers in every precinct. He can mobilize a network of supporters that delivers votes, and that's why he constantly surprises people who have been writing his political obituary for many years."

Since taking office in 1982, Mr. Kohl has triumphed in three successive elections against hapless Social Democratic candidates. He has also brushed aside ambitious party rivals such as Kurt Biedenkopf and Lothar Spaeth.

But with unemployment hovering at more than 4 million and disillusionment rampant in the East, Mr. Kohl's winning streak appears jeopardized by the popular Mr. Schroeder, 54.

In 1994, Mr. Kohl held off his Social Democratic opponents by capitalizing on strong personal support in the East, where he was still hailed as the champion of German unity. This time around, however, Mr. Kohl is encountering hostile receptions at almost every rally in Eastern Germany, whose alienated voters, analysts say, may hold the key to this year's election.

In an attempt to recapture the loyalty of Eastern swing voters, Mr. Kohl has barnstormed through the depressed regions that he once vowed would be turned into "flourishing landscapes." In recent months, his government has accelerated the flow of subsidies in the hope of winning more votes.

Since January, more than 100,000 public service jobs have been financed at nearly $1 billion. These include such make-work tasks as counting trees for the forestry service, repainting public buildings and moving debris.

Here in the capital of Mecklenburg-West Pomerania, which ranks as the poorest of Germany's 16 states, Mr. Kohl vowed that better days lie ahead, offering to build a new airport that would create 3,000 jobs and a new highway that would attract visitors to Baltic Sea resorts.

"The upswing is there, and nobody can deny it," Mr. Kohl declared to a skeptical audience that shivered in the early evening breeze. "You work hard and you will soon enjoy the same living standards as your countrymen in Hamburg or Hannover. You are every bit as diligent and deserving as they are. You were only held back from achieving your goals by a criminal Communist regime."

He railed against the former Communists, now known as the Party of Democratic Socialists, who have refashioned themselves as advocates of Eastern interests. He also alluded to the dangers of the far-right German People's Party, which is running a strong anti-foreigner campaign here and hopes to enter the state Parliament.

"These people cannot be trusted in a democratic government," Mr. Kohl said. "There must be no deals with political extremists on the left or the right. We must never again allow red or brown dictatorships to gain power in our land."

Despite the chilly reception he has been getting, Mr. Kohl's supporters say they believe his message is starting to dissolve some of the hostility in the East, especially as many voters raise doubts about Mr. Schroeder.

"You can feel that things have started to move in the chancellor's favor just in the past 10 days," said Armin Jaeger, who is the state's interior minister and a prominent Christian Democrat in Schwerin, 110 miles northwest of Berlin.

"People here have little experience with democratic elections so they tend to change their minds often," Mr. Jaeger said. "But we believe they will conclude that Kohl is the safest bet for their future."

■ **Kohl Party Up a Point**

Chancellor Kohl's conservatives gained one point on Thursday in a daily opinion poll tracking support ahead of Sunday's general election, but the opposition Social Democrats still had a four-point lead, Reuters reported from Bonn.

The poll by research institute Forsa for RTL television gave the conservative camp 38 percent while the Social Democrats were at 42 percent, unchanged from the previous day.

The liberal Free Democrats, Mr. Kohl's junior coalition partners were down one point to 5 percent — the minimum level required to gain representation in Parliament.

Michael Kappeler/Reuters

Helmut Kohl shaking the hands of Christian Democratic Union party supporters on Thursday in Munich. The German chancellor made his last speech in Bavaria before the country's voters go to the polls on Sunday.

LEFT: *Europe's Socialists Seek 'Third Way'*

Continued from Page 1

vironment, the enfeebling of our cultural wealth, the loss of long-term perspectives."

Mr. Jospin was notably absent this week from the international center-left discussion in New York, attended among others by Mr. Blair, President Bill Clinton and Prime Minister Romano Prodi of Italy. He had a prior engagement in China, officials explained, but there was some doubt whether he was on the original invitation list.

Mr. Clinton and Mr. Blair form the Anglo-Saxon wing of what is broadly described as the new left. As usual, Britain's strong trans-Atlantic attachment arouses suspicion in the EU. While Mr. Jospin remains at heart a socialist who is "determined about our ends but flexible about our means," Mr. Blair is often criticized at home for being fundamentally rightist.

He has had no hesitation in continuing Thatcherite programs that have never taken root in France, with the result that Britain is perhaps the most privatized and flexible — when it comes to labor laws — society in Europe. Mr. Blair has described many of the changes wrought by Margaret Thatcher, the former prime minister, as "necessary acts of modernization."

Mr. Blair's party and government have relentlessly expounded the idea of the "third way," which is described in a new book of the same title by Anthony Giddens, one of the prime minister's political gurus. Mr. Blair himself recently published a pamphlet under the imprimatur of the socialist Fabian Society, called "The Third Way: New Politics for a New Century."

It is "not merely a compromise between right and left," Mr. Blair says, "but a means of using the essential values of the center and the center-left" in a world of fundamental economic and social changes.

For all the torrent of words, the third way remains in the eyes of many of its critics a hazy charter for the middle class. Mr. Schroeder, in fact, describes his program as "the new middle" and has clearly modeled his campaign focus on Mr. Clinton's 1996 slogan of "jobs and the middle class."

Like Mr. Blair before he took power, Mr. Schroeder has been vague about his ends and the means to achieve them. Sensing, as did Mr. Blair, that the country is ready for change, Mr. Schroeder has stressed form over substance. If he wins, Mr. Schroeder will face challenges from his own party, which in contrast to Mr. Blair's New Labour remains largely old left. He would also have to deal with demands from the former Communists in Eastern Germany and environmentalists.

This is also Mr. Jospin's problem. He heads not a socialist administration but a government that includes Communists and Greens, who get along with Mr. Jospin's managerial style but who have not bought Socialist Party arguments.

Political scientists trace certain elements of the third way to Eastern Europe in the 1960s, when progressives sought to smuggle market economy measures into rigid Communist planned economies. It reappeared in Western Europe as a movement called "eurocommunism." Sweden best exemplifies a country that has sought to synthesize concepts of left and right.

But in Sweden's general elections this month, voters turned away from the Social Democratic Party, whose support fell to its lowest level in 70 years, in favor of the former Communist Left Party and the Christian Democrats. As a result, the prime minister, Goran Persson canceled his planned attendance at the New York meeting.

A victory by Mr. Schroeder would leave Spain as the only large EU country governed by the right. Ten of the 15 government chiefs would be socialists.

"The discussion across Europe about where we are going is a very lively one," said Pauline Green, who heads the Socialist group in the European Parliament. She said in an interview that the differences among the various socialist parties are more apparent than real, and reflect the need to adapt new thinking to different national realities. European socialists, she added, are all wrestling with the problem of how to ensure prosperity without jettisoning their values.

Analysts say the debate over the third way is fundamentally a reaction to globalization. As Mr. Jospin defined it, his formula is "yes to the market economy, no to a market society."

BRIEFLY

German Socialists Attack Party Centrist

AFP

Jost Stollmann, a businessman, criticizes Germany's welfare system.

By John Schmid
International Herald Tribune

FRANKFURT — In the final week of Germany's election campaign, which has been criticized for ducking the most painful social issues, the biggest ruckus centers on a man who has spoken most openly about welfare cuts.

That man, Jost Stollmann, a millionaire computer entrepreneur who is slated to become economics minister if the opposition Social Democrats prevail on Sunday, has endured a week of escalating attacks, many of them from the party he represents.

Because Mr. Stollmann has outraged the leftist party faithful with his free-market ideology, the stir reveals how the Social Democrats on the eve of the vote have failed to heal a fundamental split that continues to divide the party's pragmatists and socialists, commentators and party operatives said.

As a political novice, Mr. Stollmann this week bluntly said that the high cost of the German welfare state had become a "prison for the average earner." He called for more private provisions for pensions.

Gerhard Schroeder, the party leader, recruited Mr. Stollmann, 43, who founded his own computer company, to represent a "new center" in German politics as he attempts to move his leftist party into the economic mainstream with a pro-business figurehead.

But the party this week actively distanced itself from Mr. Stollmann, reinforcing the view that it wants to solidify rank-and-file support on the left and has left Mr. Stollmann alone defending the "new center." The Social Democratic Party campaign manager, Franz Muenterfering, said that Mr. Stollmann, who is not a party member, "does not speak for the SPD."

Germany's DGB Federation of Labor, which has spent 8 million Deutsche marks ($4.8 million) to support the Social Democrats, lashed out at Mr. Stollmann. A leading Social Democratic welfare expert, Rudolf Dressler, attacked Mr. Stollmann and said his radical ideas had no chance of becoming reality.

Allies of Chancellor Helmut Kohl joined the denunciations to keep Mr. Stollmann in the spotlight and showcase the split in the opposition, according to a political strategist for the Social Democrats. Mr. Kohl's labor minister, Norbert Bluem, said Mr. Stollmann's "prison" pronoucement was "offensive" to the generations of Germans who helped build the system.

Separately, the Social Democrats gave a foretaste of their economic policy when the party chairman, Oskar Lafontaine, issued a controversial call for a new global system of exchange rate targets for the dollar, yen and euro.

GERMANY: *After Years of Tension, an Atmosphere of Normalcy*

Continued from Page 1

with the intent of letting a wave of old-fashioned insecurity wash over the electorate. An associate who campaigned with the chancellor acknowledged this tactic to a reporter and also told him later that, taken in isolation, it produced no notable results.

"It may be very unwise and very unrealistic, but it would be fair to say that there are a whole lot of Germans who believe somehow we have become immune to the world of international conflict," said Friedbert Pflueger, another member of Parliament from Mr. Kohl's Christian Democratic Union who recently published a book on the subject.

Mr. Schroeder swept international and security policy from the table as an issue by saying he went along with 95 percent of everything that characterized the current German international stance. As for the remaining 5 percent, he smoothed out early remarks that he wanted to de-emphasize German-French cooperation in favor of a German-French-British "triangle," and backtracked far enough to say that the euro was no longer a "sickly infant" but "wonderful child" with vast perspectives.

If Mr. Schroeder won the election, the only area in international relations where he was believed likely to demarcate himself from his predecessor was as the country's principal representative in trade and commerce, pushing harder and more personally for German companies and products. This has been described as a "natural and obvious" approach, having nothing to do with nationalism.

Although the Social Democratic (SPD) candidate's friends took credit for seemingly neutralizing Mr. Kohl's advantages from his ease on the world stage, the times may have done most of the work. Stern, the mass-circulation magazine, diagramming party positions on 10 separate issues for its readers, caught the mood, handling the category Defense/Europe with this almost dismissive overview:

"In practically all the votes in the Bundestag in the last year, there were wide majorities on the subjects of involvement in Bosnia, enlargement to the east of NATO and the European Union, aide for Eastern Europe. The only controversy originated with the left wing of the Greens."

Most of Germany, whether coming from the old Communist East or the prosperous West, seemed to relish just going along with the international status quo, no longer mad at America or Russia, scaring neither the Poles nor the Dutch. Leaving the Bundestag this fall after years as the Social Democrats' parliamentary foreign-policy spokesman, Karsten Voigt said, "The more supposedly important we become, the more provincial we are. The problem is not some new kind of German imperialism, but our parochialism."

But this provincialism, if it is the case, has not produced anything like the idea that Germans can detach themselves from their allies or neighbors. The Greens, who could join the SPD in a ruling coalition, want to eliminate compulsory military training, to reduce the size of the armed forces, and eventually to replace the North Atlantic Treaty Organization with some kind of pan-European security arrangement.

In response, Mr. Schroeder has been unmistakable in saying the Greens would get nowhere near making German security policy in any government he led. He has been less precise publicly on the declared interest of Joschka Fischer, the Greens' leader, in becoming foreign minister.

But Allied diplomats in Bonn have said they have been told that Mr. Fischer, however much his mainstream international views track with those of majority, will not get the job and represent Germany when it takes over the rotating presidency of the European Union in January.

If Mr. Kohl is voted out, he will depart with the irony that his remarkable diplomatic successes created both a climate of security and a lack of interest that limited the appeal of his historical achievements as an argument in winning over Germans' backing for a fifth term.

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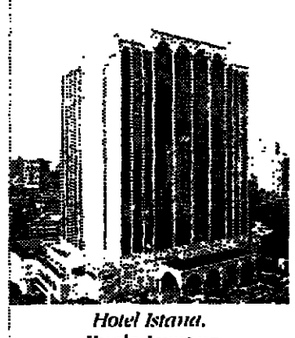

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EDITORIALS/OPINION

International Herald Tribune
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Clinton Crosscurrents

The chaotic events in Washington have finally resolved themselves into two main debates — one having to do with President Bill Clinton's political future and the other with Kenneth Starr's legal competence and fairness.

Mr. Starr is under heavy attack, much of it fueled by flaws and omissions in the report that he sent to the House of Representatives.

As weaknesses in the report became apparent on close analysis, the White House clearly hoped to divert attention from Mr. Clinton's lies by casting Mr. Starr as a witch-hunting ideologue and a sexual McCarthyite. Mr. Starr, following well-established habits, made himself an easy target.

The central argument of the report — which lays out the case that Mr. Clinton made false statements under oath — is convincing, but the report would have gained greater authority if it had been written with more restraint. Mr. Starr also presents troubling circumstantial evidence or testimony that Mr. Clinton coached his secretary, Betty Currie, about her testimony, made a deal for mutual false testimony with Monica Lewinsky, and enlisted Vernon Jordan to find her a job as part of an effort to keep her from going public with her rage over being jilted.

But the Starr report should have conceded that due to denials and conflicts or ambiguities in testimony, he had no smoking gun on these points, and he should have included Ms. Lewinsky's exculpatory statement that she had not been counseled to lie or bribed with the promise of employment by Mr. Clinton or Mr. Jordan.

Legal klutziness, however, does not add up to prosecutorial misconduct. The impeachment process is not governed by the rules of criminal law. Those who argue that Mr. Starr should never have inquired into Mr. Clinton's truthfulness about his sex life fail to consider his legal mandate.

He would have been derelict if he had walked away from evidence of potential perjury. Had he bottled up that evidence, he would have ignored the federal statute requiring him to inform the House of "any substantial and credible information ... that may constitute grounds for impeachment."

In the main, Mr. Starr did his legal duty.

That brings us to the second debate. The tolerant public response to Mr. Clinton's grand jury testimony raises doubts about the Republican plans to string out the impeachment process at least through the November election.

For the first time, the White House openly and aggressively shopped for a deal with Congress, with a spokesman saying the president understood that pain and punishment had to be part of his process of expiation. But Mr. Clinton reportedly still believes that he can secure a deal without confessing to his sworn lies, and the Republicans cannot and should not accept that. After all, Mr. Clinton's strongest allies and his own staff use words like "indefensible" and "reprehensible" to describe his conduct. That language bespeaks the fact that no one in his own party, his own White House or his political base in the country believes Mr. Clinton told the truth in his sworn answers about his contacts with Ms. Lewinsky.

The hunger of the White House and the congressional Democrats for a deal accounts for the speed with which they rallied to Senator John Kerry's suggestion of a showdown hearing for Mr. Clinton before the House Judiciary Committee. But no Democrat, whether the president or his messenger, will be able to entice the Republicans into an early deal without an unambiguous confession.

Given the self-destructiveness of his tactics throughout 1998, it is impossible to guess how Mr. Clinton analyzes his situation. He may confuse public weariness and willingness to forgive with respect. He may even believe that the 20 additional boxes of evidence the House Democratic leader asked for Wednesday will harm Mr. Starr more than himself. But whatever Starr's failings, they will never achieve the grand malignancy of Mr. Clinton's folly and miscalculations.

As his White House belatedly sues for peace, those mistakes have already toppled virtually everything except his chance to linger in office until 2001.

—THE NEW YORK TIMES.

The 'Critical Flaw'

Lawyers for President Bill Clinton claim to have found a "critical flaw" in Kenneth Starr's report to Congress, a flaw that "calls into question the fairness of the entire process." Armed with that contention, and with a benign public reaction to Mr. Clinton's videotaped grand jury testimony, the president's supporters are pushing harder for a deal that would bring to a quick end the congressional inquiry into his misbehavior, with a punishment short of impeachment as final result.

But it is an offer based on the same critically flawed premise that has guided Mr. Clinton from the start — that is, that he can get out from under this scandal without admitting, or credibly disputing, the accusations of serious criminal wrongdoing alleged in the Starr report.

We do not dispute White House lawyers' contention of bias in that report. Mr. Starr's loss of objectivity became abundantly clear when he characterized as an impeachable offense Mr. Clinton's invocation of various privileges during the spring — when Mr. Starr suggested, in effect, that mounting a defense is itself a sign of guilt. And what we have learned with the Judiciary Committee's release of additional information adds texture to Mr. Clinton's complaint that he was set up. It seems that Linda Tripp may have planted with Monica Lewinsky the idea of seeking Vernon Jordan's help and the idea that Ms. Lewinsky should refuse to sign a false affidavit in the Paula Jones case until Mr. Jordan had found her a job. According to Ms. Lewinsky's testimony, in other words, Ms. Tripp may have helped set the stage upon which others could act out the alleged criminal conspiracy that Ms. Tripp then reported to Mr. Starr.

But Ms. Tripp's role (about which we have yet to hear from Ms. Tripp) unfortunately cannot alter the choices Mr. Clinton made. It was his decision to be dishonest during his Paula Jones deposition. It was his decision — made at least partly on the basis of polling, according to the Starr report — to continue lying after the deposition to the country, to his staff and through his staff to the grand jury. And it remains Mr. Clinton's decision, as a careful reading of his grand jury testimony makes clear, to evade questions about (to take just one example) his alleged efforts to coach his secretary into untruthful testimony. On the issue of why his secretary collected from Ms. Lewinsky items Mr. Clinton had given her — potential evidence at the time in a pending court case — we still do not have a satisfactory answer.

The smoking gun that Mr. Clinton's lawyers purport now to have found — the "critical flaw" — is Mr. Starr's decision not to include in his report Ms. Lewinsky's direct statement that no one asked her to lie or promised her a job in return for her silence.

But Mr. Starr's report paraphrased her statement, and it does not allege any such direct request. It rather portrays Ms. Lewinsky's willingness to submit a dishonest affidavit and Mr. Clinton's willingness to mislead during his deposition as continuations of earlier agreed-upon patterns of deceit, patterns that Mr. Clinton surely should have broken once legal oaths were being sworn. Similarly, it is interesting that Ms. Lewinsky says she misled Ms. Tripp about Mr. Jordan's role.

But it does not change the picture of a president marshaling with growing zeal public and private resources to keep Ms. Lewinsky happy as his legal peril grew. Nor does it alter Ms. Lewinsky's contention that, even under the president's tortured definition, they engaged in sexual relations, something he continues to deny.

At some point, the extent to which Mr. Clinton was set up by political enemies, and the one-sidedness reflected in Mr. Starr's failure to ask certain questions or present certain information, may become relevant factors for members of the House or, if it comes to that, the Senate.

The independent counsel's one-sidedness certainly reinforces the need for the Judiciary Committee to act with measured fairness. But it is premature to talk of deals and mitigating factors as long as, on many of the fundamental facts, the president continues to evade and prevaricate.

— THE WASHINGTON POST

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In This Economic Chaos, a Global Bank Can Help

By Jeffrey E. Garten

NEW HAVEN, Connecticut — Even as emerging markets sink into depression and stocks plunge from Montreal to Melbourne, a global economy is slowly emerging, albeit in a tortuous and painful way. But governments seem paralyzed, unable to deal with either the crisis or the opportunity.

Today's chaotic international market mirrors how the American economy evolved between the Civil War and the 1930s. For well over half a century it, too, had booms and busts, countless bank failures, rampant bankruptcies. Capitalism was an uncontrollable Darwinian process, with big winners and big losers.

But over time the United States set up crucial central institutions — the Securities and Exchange Commission in 1933, the Federal Deposit Insurance Corporation in 1934 and, most important, the Federal Reserve in 1913.

In so doing, America became a managed national economy. These organizations were created to make capitalism work, to prevent destructive business cycles and to moderate the harsh, invisible hand of Adam Smith.

This is what now must occur on a global scale. The world needs an institution that has a hand on the economic rudder when the seas become stormy. It needs a global central bank.

The sad fact is that we cannot rely on existing institutions or on national leaders for global economic stability.

The International Monetary Fund knows how to deal with one or a few countries at a time, but not an international phenomenon in which all countries' problems occur at once and are linked. The World Bank's mission has included financing big projects and alleviating poverty, but it is not designed for financial crises.

Simply trying to coordinate the world's powerful central banks — the Federal Reserve and the new European Central Bank, for instance — would not work, either. If there is no inflation in the United States, the Federal Reserve will not lower interest rates simply because that would help, say, Southeast Asia.

The European Central Bank, meanwhile, seems proud of its narrow focus on Europe. The result is inadequate attention to the three-quarters of the world consisting of emerging markets.

Effective collaboration among finance ministries and treasuries is also unlikely to materialize. These agencies are responsible to elected legislatures, and politics in the industrial countries is more preoccupied with internal events than international stability.

An independent central bank with responsibility for maintaining global financial stability is the only way out. No one else can do what is needed: inject more money into the system to spur growth, reduce the sky-high debts of emerging markets and oversee the operations of shaky financial institutions.

A global central bank could provide more money to the world economy when it is rapidly losing steam. For example, it could buy the bonds of the Brazil's central bank, thereby injecting hard currency into that country when it most needs the help — as it does now. It would have the ability to buy a country's debt at steep discounts, a crucial need now because in countries such as Thailand and Venezuela debts are piling up and preventing new lending and new investment. Ultimately a lot of this debt could be resold at a profit.

Such a bank would play an oversight role for banks and other financial institutions everywhere, providing uniform standards for prudent lending in places like China and Mexico.

The regulation need not be heavy-handed — providing clear and reasonably verified information to the market on the real state of banks around the world would be a leap forward. Investors could then make the informed judgments that they could not have made in, say, Russia or Indonesia.

There are two ways a global central bank could be financed. It could have lines of credit from all central banks, drawing on them in bad times and repaying when the markets turn up. Alternatively — and more difficult to carry out — it could be financed by a very modest tariff on all trade, collected at the point of importation, or by a tax on certain global financial transactions.

One thing that would not be acceptable would be for the bank to be at the mercy of short-term-oriented legislatures. Witness how the U.S. Congress has consistently failed to provide new money for the IMF even as the world economy slides toward deep recession.

A crucial political question is, to whom would a global central bank be accountable? It would have too much power to be governed only by technocrats, although it must be led by the best of them.

One possibility would be to link the new bank to an enlarged Group of Seven — perhaps a G-15 that would include the G-7 plus rotating members such as Mexico, Brazil, South Africa, Poland, India, China and South Korea.

Another issue is the relationship between a global bank and the Federal Reserve. There would have to be very close collaboration.

The global bank would not operate within the United States, and it would not be able to override the decisions of the central bank there. But it could supply the missing international ingredient — emergency financing for cash-starved emerging markets.

It would not affect American mortgage rates, but it could help the profitability of American multinational companies by creating a healthier global environment for their businesses.

The current global financial slide, with no one at the center to limit the damage, is evidence enough that there is a huge gap in the structures necessary to make globalization work.

As the eminent economic historian Charles Kindleberger said in examining the causes of the Depression, "For the world economy to be stabilized, there has to be a stabilizer, one stabilizer."

Jeffrey E. Garten is dean of the Yale School of Management. He contributed this comment to The New York Times.

Past or Future? Inaction on Kosovo Echoes Bosnia

By Flora Lewis

PARIS — An American working for the Organization for Security and Cooperation in Europe reported sadly to friends, "We lost the election."

She was referring to the election this month in the Serbian entity in Bosnia, and the fact that the hard-line nationalist Nikola Poplasen — a close ally of Radovan Karadzic, indicted as a war criminal — had won the presidency in what international monitors had already called a fair and free vote.

The United States and the security organization had done everything they could to support Biljana Plavsic, the defeated incumbent, because she backs the Dayton agreement and they consider her cooperative.

But too many Bosnian Serbs believed that Mrs. Plavsic, a former nationalist turned relatively moderate, was a U.S. dupe. They do not want reconciliation with Bosnia's Muslims and Croats under the awkward Dayton formula, regardless of millions of dollars in reconstruction inducement from abroad.

The Bosnian settlement, so often pronounced a "great success" at NATO, is not working, and time and money cannot be counted on to fix it.

The shameful Bosnian tragedy is being repeated in the Serbian province of Kosovo, populated by ethnic Albanians. Only a few months ago, the United States and its European partners proclaimed sternly that they would "not allow another Bosnia" in Kosovo.

Since then, there have been familiar efforts at the United Nations and shuttle diplomacy to start negotiations backed by a one-day show of air power outside Serbia's borders. But the Yugoslav president, Slobodan Milosevic, obviously is not impressed; his campaign against the Kosovars continues.

He counts on the Russians to veto any UN decision to use force, on the French and British to oppose intervention without UN endorsement, and perhaps on Kenneth Starr to deter a reluctant President Bill Clinton from intervening alone.

Again, everybody is shifting the blame, the human disaster spreads, and the Balkans remain the most endangered place in post-Cold War Europe. Again, Mr. Milosevic who brought about the collapse of Yugoslavia and the war, is beseeched to be "reasonable."

Again, there are no easy choices. So the powers watch, deplore and point out that the Balkans have always been trouble. And again, the longer nothing is done to stop it, the more costly it will be in lives and treasure.

In his impassioned new book about Bosnia, "Hearts Grown Brutal," the New York Times correspondent Roger Cohen takes us through the interplay of horror and indifference, the worst of the past transformed into the future. His is a heartfelt cry for some decency, some responsibility in the world, but he cannot be optimistic.

He focuses on four Sarajevo families of mixed ethnic backgrounds and how these survivors have also been destroyed — their humanity, their hopes and their feelings for each other. He tries to understand them as they grapple with their incomprehensible fate.

These people are not distant numbers or flashes on a screen. They all have names and faces. They know about joy and tenderness, and they have been condemned by failure to respond to their suffering.

But the book also offers a rare study of Yugoslav history that combines sympathy with rigorous historical candor. He shows that is easy to use history to assert power, to find past justification for grievance, revenge, hatred and fear. And in the same way, it is easy for outsiders who do not want the burden of intervention to say: "It's the Balkans. They always kill each other. It's inevitable."

But it is false. Both the leaders involved and those who do not want to be involved are exploiting history for cynical purposes, instead of searching for the traditions, the trends and the aspirations that could prevent its being repeated.

Mr. Cohen shows that they are lying, deliberately misleading to excuse or cover their own ends. So long as the war leaders are left undisturbed, peace cannot be summoned.

Flora Lewis

Beyond Monica, Congress Should Dig Out Other Abuses

By William Safire

WASHINGTON — Forget the blather about extraconstitutional deals, of censures and fines, or of a quickie impeachment vote. And cut the hand-wringing about how awful all this is, too much for the children to take, and so forth.

Recall the classic New Yorker cartoon by Robert Day of the man trying to fix a tire in a rainstorm, saying to his kids in the car: "Don't you understand? This is LIFE, this is what is happening. We CAN'T switch to another channel."

Real life is the coming resolution of inquiry by House Judiciary Committee.

Serious new digging will begin. If the voters elect a Republican House on Nov. 3, the next Congress will hold hearings, draw up articles of impeachment and vote on them, probably in the spring.

The resolution should not be limited to the president's unrelenting perjury in the Monica Lewinsky affair. That may well be a high crime against the judicial system, but I think no consensus for removal will be formed around lying under oath about one case of illicit sex, even by a chief executive with a young employee.

We must have more from the independent counsel about other crimes: Whitewater, Travelgate and Filegate abuses of power. We need to know all that Kenneth Starr knows, and then Congress will dig deeper.

A minor example is the farce at the White House gate the day President Bill Clinton was informed that Ms. Lewinsky had been called as a witness. She went to see him that Saturday morning, Jan. 6; she winkled out of a guard the infuriating fact that her Handsome was not with his lawyers, as claimed, but was seeing a woman she took to be a romantic rival.

After she raised a rumpus, an angry president wanted an officer fired for letting Ms. Lewinsky know the identity of his visitor. After the guilt-ridden Mr. Clinton cooled down, the gatekeepers were told, "What happened never happened." The Secret Service director was kept in the dark about the president's dismaying dressing-down of his men.

That offense, though rank, is not impeachable. But Congress will be obliged to examine in detail the president's slanderous attack on Kathleen Willey.

Here was a mature woman of good repute who reluctantly revealed a groping pass Mr. Clinton made at her in the Oval Office when she applied for a job. The president not only denied all (as at first with Monica Lewinsky, and Paula Jones, and Gennifer Flowers) but, under oath, accused Mrs. Willey of lying to the grand jury. He intimated that she first made a move on him with his sly, "She was always very friendly."

Mrs. Willey has been branded a perjurer by her president, whom she dared to say manhandled her unlawfully. Because she has no DNA evidence, White House operatives and hired snoops are eager to join their boss in trashing her further. But if her charge is true, this serious harassment has just been escalated by Mr. Clinton to potential perjury with intent to injure. Congress will not avert its eyes.

Once the main stream of inquiry begins to flow, tributaries in related congressional investigations will feed it. The resolution of inquiry should cover the long abuse of executive privilege in the House Oversight Committee's campaign finance investigation.

Attorney General Janet Reno's refusal to share more of the suppressed memos written by the FBI director, Louis Freeh, and by Charles La Bella, a former chief prosecutor for campaign finance, may figure in the coming inquiry; this includes information that might help Congress tie the president to potentially illegal fund-raising with James Riady, John Huang and Charlie Trie. Also, the Judiciary Committee could put impeachment pressure into a demand for information that the Justice Department has about espionage connected to corrupt Commerce Department approvals of technology transfers to China, but refuses to divulge to the ultrasecret select committee looking into them.

This has to go beyond Monica Lewinsky to show some pervasive pattern of abuse. For all the Clinton chickens coming home to roost, Congress must build a large coop.

The New York Times.

Long in the Tooth, Short on Change

By Jim Mann

WASHINGTON — Japan's Health and Welfare Ministry released new statistics recently that reveal a great deal about where Japan is heading and how it is behaving in the world.

For the first time, the ministry said, the number of Japanese over the age of 100 has climbed above 10,000. There are now 10,158 centenarians in Japan, about 80 percent of them women.

That is startling. In 1965, only 153 Japanese were 100 or over, according to the ministry. Just five years ago, the number was below 5,000.

In their way, these numbers tell us more about Japan, and its economic frictions with the United States, than arid summit meetings such as the one in New York on Tuesday between President Bill Clinton and Prime Minister Keizo Obuchi.

What Mr. Obuchi says probably does not matter much. He is just one more in a long line of weak Japanese prime ministers. He probably will not stay in office a full year. A deal he supposedly worked out in Tokyo last weekend — aimed at showing the Clinton administration that Japan was doing something about its financial problems — began to unravel within 24 hours.

Japan's demographic problems are far more lasting than its prime ministers. The story, in a nutshell, is that Japanese are having fewer children and are living longer.

Japan has one of the lowest fertility rates in the world. There are now about 1.4 births per woman per lifetime in Japan — far below the level in the United States. At the same time, Japan's mortality rates are extremely low. By the 1990s, Japan had the longest life expectancy of any country in the world.

"There is a rapid aging process going on in Japan," observed Nicholas Eberstadt, a demographer at the American Enterprise Institute. "Japan has gone from being a very youthful society in the 1960s to one of the world's oldest societies in the 1990s.

"Right now, Japan's median age is about 40. The only other country as old as that now is Germany, with Italy not far behind.

"But by the year 2015, Japan will rank by itself. Its median age will have risen to 45. There never has been a country in the world whose age profile looked like that. Japan will be the oldest society in the history of mankind."

Japan's 65-and-over generation, now about 15 percent of the population, is projected to grow to 25 percent in 2020. By contrast, America's elderly make up 13 percent of the population now and will rise only to 17 percent in 2020.

The rest of the world does not seem to have caught on that Japan is increasingly becoming the world's granny. Looking at Japan in this fashion helps explain its behavior.

Grannies need an income. They often survive on pensions. And so the Japanese government for most of the past year resisted the pressure from the United States to cut taxes to stimulate its economy. Why?

"To keep the pension system solvent, it will be necessary over the next generation to raise the tax on basic earnings from over 17 percent to 34 percent. And that's before any other taxes," Mr. Eberstadt said.

Grannies generally do not spend a lot of money. In the midst of the Asian financial crisis, the rest of the world keeps encouraging the Japanese to consume more. Such lectures seem to assume that Japan is made up of young people eager to splurge on new sports cars and stereos.

Grannies, by and large, are not very flexible. The rest of the world keeps asking Japan to change its attitudes, its spending patterns, its political and economic system. And Japan keeps doing what worked in the past.

The economic implications of Japan's aging society extend well beyond the current financial crisis. For example, as Japan's society becomes older, its savings rate can be expected to drop. But a huge drop in its savings rate would mean that Japan has much less capital to invest in its own country or to export overseas.

During the 1990s, Japan exported hundreds of billions of dollars in capital that is invested in other countries, especially the United States. In a decade or two, Japanese capital may no longer be available to help support other economies.

Los Angeles Times Service

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Ocean Rules

PARIS — [The Herald says in an Editorial:] During the last voyage of the Teutonic she escaped a collision in mid-Atlantic with a cattle steamer by the merest chance. This incident prompted the *Daily Telegraph* to revert to the urgent need of regulating ocean traffic. Our London contemporary proposes the adoption of the "*steamer lanes*" recommended by Commodore Maury as far back as 1856. Traffic on the Atlantic has enormously increased. Every maritime nation would like to see an arrangement concluded for removing the present dangers of collision.

1923: German Debacle

BERLIN — Facing defeat in the Ruhr, this erstwhile mighty German Empire can be held together to-day only by the despotism of a dictatorship. The constitutional régime is crashing to its fall. The Chancellor has made known his resolve to abandon passive resistance for the simple reason that the financial situation no longer permits its continuance. A formula of surrender has not yet been fixed and probably will not be settled on until a decision is reached as to the kind of dictatorship which the Government will establish.

1948: Negro GIs

HEIDELBERG — The best disciplinary record in the history of the American occupation of Germany was racked up last month by the 8,000 Negro soldiers under his command, General Lucius D. Clay said. "In proportion to their number, the Negro troops were involved in far fewer 'serious incidents' than white GIs, and, statistically, theirs was the best performance in the three years of occupation." General Clay said.

هكذا من الأصل

OPINION/LETTERS

What About Bipartisanship? Congress Takes Some Blame

There is no question that President Bill Clinton has abused the trust of the people who placed him in office. His breach of faith is surpassed in its brazenness only by the conduct of Kenneth Starr and, worst of all, the Republican members of the House of Representatives.

Americans were cynically promised a bipartisan inquiry by the House. The members betrayed their true agenda by rushing to release a report whose contents were unknown even to them ("in order to give the American public the opportunity to review it over the weekend," said one) and then spewing forth thousands of pages of seedy testimony given by people in a supposedly confidential proceeding. Why? Because "the people have the right to hear all the evidence and make their own judgment."

When the public did not cooperate by making the judgment that the congressional Republicans expected of them, the House speaker, Newt Gingrich said: "I think people would be frankly horrified if the Congress was simply a polling institution that enacted a grotesque version of justice based on the latest poll."

The House majority has done the impossible: It has made Mr. Clinton the good guy again. Will the American people enact their own version of justice on Election Day?

EZRA KATZEN.
Raanana, Israel.

Despite claims of neutrality and independence, Mr. Starr is neither. I agree with the Republicans that this matter is not about sex, but neither is it about honesty. It is about power. The lesson may be that a takeover of America can be achieved without having to rely on messy and often unpredictable elections. We are all getting an education in the probable course of political change in the next century.

NICK WRIGHT.
Weissenfels, Germany.

Mr. Clinton should resign. He is too severely credibility-challenged.

VIKTOR M. SHOLOKHOV.
Parsippany, New Jersey.

Regarding the editorial "Clinton Must Open Up" (Opinion, Sept. 23):

The editorial states that the president should abandon "the central contention .... that he did not lie under oath about having a sexual relationship."

Mr. Clinton is not avoiding anything except a form of words. He has substantially admitted all the acts, events and intimacies alleged. However, he made a (deliberately) narrow statement in the Jones deposition, and if he admitted to "a sexual relationship" using those words he would contradict that statement and put himself in legal jeopardy. Is that is so difficult to understand?

LEE SWEPSTON.
Ferney-Voltaire, France.

The scandal in Washington is not limited to the behavior of the president. It includes the behavior of Congress and the special prosecutor. Too few of the people's representatives seem capable of rising above this political morass and distinguishing themselves, their constituencies and their country with statesmanship. The only voices of good sense, temperance and wisdom that I hear are those of average citizens. The public interest has been usurped by unscrupulous, vengeful spoilers.

KAREN JOFFE.
Piedmont, California.

I do not agree with or encourage extramarital affairs. But as I watched Mr. Clinton's recorded testimony I could only pity him. He has admitted he committed adultery and lied about it. Fine — he is a bad person. This fact is established. Was the release of the video a coup de grâce? Or was it a few extra stabs at the remains of his personal integrity?

Margarita Papandreou (*"Cheers for the First Lady From a Fellow Survivor," Meanwhile, Sept. 22*) writes that "men in power ... forget that they are mere mortals: They are convinced they live somewhere else in a realm closer to the gods. This is blindness of power." Maybe this applies to Mr. Starr, too.

MIKE VAN DER KAMP.
Paris.

Why in God's name isn't there at least one Republican leader with the courage to call this what it is — McCarthyism, 1990's style — and to repudiate Mr. Starr and his disgraceful and disrespectful use of the power laid in his hands.

LEON WARD.
Trieste, Italy.

What better way of attacking America's leadership role than attacking the leader for his "foreign" ways?

JOHN PFLAUM.
Milwaukee.

If the good and pious members of the majority party in the U.S. Congress are driven only by a need to uphold constitutional virtue, let them impeach the philandering chief executive in righteous silence. If they are driven by public opinion, they should leave the man alone.

AJAY SUD.
London.

There seems to be commotion over the word "is" as it applies to Mr. Clinton's testimony in the Paula Jones lawsuit. "Is" is not the same as "was" or "will be."

Nobody would be happier than I to say, "Newt Gingrich was the speaker of the House." Regardless of my feelings, however, he is the speaker. Mrs. Jones apparently has not been well served by her lawyers. But that is nothing for which Mr. Clinton need take the blame.

GINGER WYLER.
Geneva.

Bill Clinton is the first adolescent president of the United States.

KENT GORDIS.
Geneva.

Talleyrand said (in a another context), *"C'est pire qu'un crime, c'est une faute."* (It is worse than a crime, it is a blunder.) As the world watches the shriveling of the Clinton presidency, who can solve this mystery: How could one so smart act so dumb?

HARVEY A. LEVE.
Jakarta.

In response to "Hyde Disclosure Roils Congress" (Sept. 18):

One can only presume that Henry Hyde, Republican of Illinois and chairman of the House Judiciary Committee, must be very popular among his colleagues to have inspired such indignant, spirited defense from both parties.

If Mr. Clinton's entire sexual history was relevant to the Paula Jones case, why not (keeping in mind the pertinence of most of the questions that potential jurors have to answer) this escapade of Mr. Hyde's? What can possibly be off limits after the Starr report? It goes to show that this can of worms should never have been opened.

GABRIELLA GRUDER-PONI.
Florence.

Democracy Is in Danger, and Not Just in America

By Pierre Lellouche

PARIS — In part because I was educated at Harvard instead of our National School of Administration — the "birthplace" of all our technocrats and most of our politicians — I have the reputation, in France, of being too pro-American.

In a country where U.S.-bashing comes close to national sport, this is not always a comfortable reputation to live with, especially for a member of Parliament belonging to the Gaullist party.

MEANWHILE

Nonetheless, I have come to like the United States and — while its political system is not perfect — to respect its democracy. As a former student of Professor Archibald Cox in the early 1970s, during Watergate, I even praised the system of the special prosecutor as superior to the way the French judiciary handles political scandals.

Then came Kenneth Starr, Paula Jones, Linda Tripp, their allies and friends in the media, and now in the U.S. Congress. Allow me to be frank: the outcome is no less than a tragedy, not just for President Bill Clinton and his place in history, but also for the United States, and indeed for all citizens around the world who believe in and fight for democracy.

No one in France is now inclined to laugh at Mr. Clinton's troubles. At first, of course, there was dismay, mixed with irony. Viewed from Paris, where flirting is part of the daily agenda, where presidents die in the arms of their mistresses or raise illegitimate children in government buildings, a leader's affair with a consenting young adult of the opposite sex is nothing but perfectly normal — as a matter of fact, a sign of good health.

But for such an affair to become a national trauma, leading to the paralysis of the most powerful nation, is a different matter altogether, especially when this exercise in national political suicide coincides with immense chaos in global affairs that endangers the well-being of hundreds of millions of people around the world. What the special counsel, Mr. Starr, and his allies seem to ignore is that by tearing apart Mr. Clinton's personal credibility in the most spectacular fashion they are also destroying America's reputation and credibility.

It may well be that through this unprecedented episode, the United States is endulging in a new form of isolationism. Americans may have set out unconsciously to abdicate their ambition as the world leading power, preferring to concentrate on the most petty of domestic affairs. One thing is sure: There is not one citizen, let alone one leader, in the world who can look to the United States for wisdom or protection with some confidence following this extraordinary display of erratic behavior and national paralysis.

There is another aspect of the Lewinsky affair that concerns citizens all over the world: the issue of the governability of so-called post-modern democracies in the age of global media. The irruption of the judiciary, allied with an equally enormous power, that of the media, in modern politics, is a central feature of the crisis of the democratic system in the post-Cold War era.

The highly publicized search of Mr. Starr and his friends for total "transparency," their relentless drive for "purity," is an alibi for the absolute power in their hands and an invitation to populism, to demagoguery and, in the end, to a form of dictatorship.

To me, Mr. Starr's vision of democracy is frightening. People do not elect superhumans who are supposed to have no secrets, no private lives, no desires. They merely choose other citizens whom they ought to judge on their records, their economic or their foreign policies, not on their sexual preferences or their religious beliefs.

This whole affair is endangering American democracy and with it all democracies.

The writer is a member of the French National Assembly and foreign policy spokesman for the Rally for the Republic party. He contributed this to the International Herald Tribune.

'Are we there yet?'

Won't Anyone Challenge Starr?

WHERE are the Democrats willing to take on Kenneth Starr and question his tactics? Where are the politicians who will cease their endless moralizing — we know adultery and lying are wrong — and point out that while Bill Clinton may be a moral midget, Mr. Starr is a menace.

From most Democrats comes not a peep about Keyhole Ken. Are any of them chagrined at what Monica Lewinsky revealed in her grand jury testimony? Do they have anything to say about a prosecutor who tells a potential target that she should not call her lawyer and threatens her with a jail sentence — 27 years — that is more than most murderers get?

She was not some hardened criminal. She was merely the young woman with whom the president had had a sexual relationship. Why the hardball tactics? Because Mr. Starr had concluded that Mr. Clinton was a prevaricator, a trimmer and liar and amoral womanizer unworthy of the presidency. His is entitled to his opinion, but it is a political and moral one, not based on a legal finding.

Mr. Starr and his team were so determined to get Mr. Clinton that they felt justified in abusing their power. They hauled Hillary Clinton before the grand jury. They hauled Ms. Lewinsky's mother before the grand jury. They brought in the Secret Service. They wanted Ms. Lewinsky to wear a wire, entrap Betty Currie, maybe even the president. Whether any of this is illegal or unethical, I cannot say. I can only say it is outrageous.

Since the Republicans are so intent on toppling Mr. Clinton they do not care about civil liberties and fair play, the Democrats ought to screw up their courage and scream bloody murder.

—Richard Cohen, commenting in The Washington Post.

BOOKS

COLLECTED FICTIONS

By Jorge Luis Borges. Translated by Andrew Hurley. 565 pages. $40. Viking.

Reviewed by Richard Bernstein

THE story "Ibn-Hakam al-Bokhari, Murdered in His Labyrinth," roughly in the middle of this marvelous new collection of stories by Jorge Luis Borges, is as good a place as any to start an appreciation of one of the most remarkable writers of our century. A king flees the ghost of his vizier, whom he has killed, taking refuge in a labyrinth he builds on the moors of Cornwall. But the ghost, or what seems to be a ghost, catches up with him, and the king is murdered within his own hiding place.

It is not one of Borges's greatest stories, but many of the familiar elements of his work are here: arcane knowledge, characters that emerge from some combination of mythology and scholarship, images of labyrinths, a lightly satirical Homeric tone, blood and vengeance, the blending of murder and metaphysics, and an interplay of appearances and apparitions in which reality and illusion are almost indistinguishable.

Only Borges created literature out of that mixture, though one can guess at some of his diverse sources of inspiration: Edgar Allan Poe and Franz Kafka, Ralph Waldo Emerson and Miguel de Cervantes, with a liberal dusting of Omar Khayyam, the cabala and Islamic theology, and a great deal of esoteric reading.

In the introduction to an earlier collections that is wrapped into this one, Borges writes about "the madness" of "setting out in 500 pages an idea that can be perfectly related orally in five minutes." He spent his career (which ended with his death in 1986) writing "notes on imaginary books." This new collection of the complete imaginings of the Argentine writer, freshly translated from Spanish by Andrew Hurley, is an event, and cause for celebration.

Reading Borges's work chronologically, as this collection is arranged, is to be reminded of the strangeness of his art (strangeness being, in the opinion of the literary critic Harold Bloom, the main criterion for membership in the canon of great writers). Borges was attracted to fantasy writing, as in his story "The Aleph," but a very recherché fantasy writing grounded in arcane lore.

"The Aleph" begins, like so many Borges stories, with what seems an autobiographical digression, the death of Beatriz Viterbo, friend with whom the narrator had been unrequitedly in love. Beatriz had a cousin, Carlos Argentino Daneri, despised by Borges (who, as in many of his stories, identifies himself as the narrator) as a man whose "oral expression was extravagant" but whose "metrical clumsiness prevented him, except on a very few occasions, from transmitting that extravagance to the poem." Inside Daneri's house, it turns out, is an aleph, a point in space that contains all points, which he invites Borges to see. The compressed personal and metaphysical themes of the story combine in a work of mystical enchantment.

The aleph that Borges sees is "a small iridescent sphere of almost unbearable brightness" in which "all the places of the world, seen from every angle, coexist." Borges gazes upon infinity, which, of course, is indescribable, and sees, among many other things, a disturbing truth about Beatriz and Daneri, which is why the hated cousin wanted him to look upon the aleph in the first place. The story is really about love, deceit and, in the end, a desperate effort by Borges to escape the moral consequences of what he has seen.

"The Aleph" is a luminous work, and far from the only one in this collection. This is not to say that all of Borges's stories reach that level. The book reveals, in fact, that Borges reached his peak in the 1940s with collections like "The Garden of Forking Paths" and "Artifices" as well as "The Aleph." The work of later decades is tinged with a certain imitativeness of the earlier stories, but even a reduced Borges is fascinating. Almost everything he presents, from the heavily intellectual masterpieces like "Tlöen, Uqbar, Orbis Tertius" to fragments like "Toenails" (a single-paragraph thought about mortality), is laden with mystery, double meanings, ambiguity.

In "Tlöen, Uqbar, Orbis Tertius," perhaps the height of philosophical playfulness as literature, Borges invents an orderly alternative way of thinking and talking. He sets down the principles of a language in which there are no nouns, only "impersonal verbs, modified by monosyllabic suffixes (or prefixes) functioning as adverbs." "'The moon rose above the river' is 'hlöer u fang axaxaxas mlöe,' or, as Xul Solar succinctly translates: Upward, behind the onstreaming it mooned." Marvelous.

There is a deeper meaning here, about the inherent tyranny of totally ordered societies. (Borges is writing in response to the rise of Nazism in Germany, with its Argentine echoes.) "Contact with Tlöen, the HABIT of Tlöen, has disintegrated this world."

How different from this learned exercise in political parable are "Death and the Compass" and "Emma Zunz," in which Borges indulges one of his favorite pastimes, inventing perfect acts of vengeance.

Though linked by the high-impact elegance of Borges's prose, these stories are a far cry from his other utopias, like "The Lottery in Babylon," in which a state lottery presents an organizing principle for all of life: that chance alone determines individual fate.

New York Times Service

BRIDGE

By Alan Truscott

INEXPERIENCED players sometimes claim that the fact that they do not know what they are doing will confuse the opponents. This is rarely true, but it was, in a sense, on the diagramed deal played in a money gameat the Regency ClubNone of the players was in the least inexperienced, but South was a newcomer in the game and had no idea how to respond when his partner overcalled one heart with one no-trump.

In tournament play, North-South would have discussed this situation and would know whether or not transfers applied. If they did, South would transfer to spades and then raise. And if not, he would perhaps bid a direct four spades.

Unfamiliar with the Regency style, South compromised by bidding two hearts and bidding his spades on the next round. He therefore arrived in game without giving his opponents crucial information about his spade length.

Since dummy was sure to have the heart king, West led the ace of that suit followed by the seven. South finessed successfully, and East played the four followed by the three. This suggested that he was hoping for a third-round ruff.

South was Barry Rigal, an English player-writer who became a Manhattan resident. It can be seen that he had no real chance, since he was due to lose two trump tricks and two outside aces.

He knew that he was doomed if the spades were split two-two, since West would presumably win the ace and give his partner a heart ruff. The only hope was that East held a singleton ten, so he led the jack with that in mind.

This incidentally set a trap for Ace Greenberg, sitting West. He put up his ace, expecting to give his partner a heart ruff. He would not, of course, have done this if he had known that the declarer held six spades. As it was, he destroyed his partner's queen, and South made his contract by finessing against the ten. The finesse was marked when East was unable to ruff the third heart.

Greenberg was comforted to be told that he had done nothing wrong but that his partner should not have indicated a desire to ruff by playing high-low in hearts.

NORTH
♠ K 7 2
♡ K 9 2
♢ K Q 6
♣ A J 9 5

WEST (D)
♠ A 10 4
♡ A Q 8 7 6
♢ A 8 4
♣ 7 3

EAST
♠ Q
♡ 4 3
♢ 10 7 5 2
♣ Q 10 8 6 4 2

SOUTH
♠ J 9 8 6 5 3
♡ J 10 5
♢ J 9 3
♣ K

Both sides were vulnerable. The bidding:

West	North	East	South
1 ♡	1 N.T.	Pass	2 ♡
Pass	2 N.T.	Pass	3 ♠
Pass	4 ♠	Pass	Pass
Pass			

West led the heart ace.

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Iran's Diplomatic Offensive

Iranian government leaders consolidated several days of effective public diplomacy at the United Nations on Thursday by formally repudiating their country's death threat against Salman Rushdie, the British writer.

Though the announcement by Foreign Minister Kamal Kharrazi does not entirely eliminate the danger to Mr. Rushdie, the author of "The Satanic Verses," it would appear to end any government role in trying to kill him. Rejection of the assassination threat removes one of the primary obstacles to improved relations between the United States and Tehran.

The death threat, or *fatwa*, has disgraced Iran since it was imposed in 1989 by Ayatollah Ruhollah Khomeini. Along with the 1979 seizure of American hostages, the threat symbolized the vindictive policies of the clerics who turned Iran into an Islamic fundamentalist state.

Mr. Rushdie was forced to spend much of the last decade in hiding and under heavy guard.

Britain, where Mr. Rushdie lives, quickly restored relations with Iran on Thursday. The United States should not move so swiftly. For one thing, an Iranian foundation still offers a $2.5 million bounty to anyone who kills Mr. Rushdie, and it is unclear whether the spiritual leader of Iran, Ayatollah Sayed Ali Khamenei, accepts the lifting of the death threat.

But even if Mr. Rushdie is soon in the clear, other issues need to be resolved. Iran must give up its effort to fashion nuclear weapons and end all support for terrorist groups. The Iranian government has backed away from such assistance, but has yet to make the kind of clear declaration it did about Mr. Rushdie.

Still, these have been potentially productive days in the evolution of Iran's cautious opening to the United States. President Mohammed Khatami, in his first visit to America since his election a year ago, presented himself and his government as forces for moderation in Iran.

The self-portrait was largely supported by the steps he has taken at home to ease the clerical stranglehold on many aspects of Iranian life.

Though Mr. Khatami said it was premature to open an official dialogue with Washington, and Mr. Kharrazi pointedly avoided a UN meeting about Afghanistan so he would not encounter Secretary of State Madeleine Albright, the Iranians seemed eager to shed their country's menacing image.

By removing the government's gun from Mr. Rushdie's head, they clearly advanced that goal.

—THE NEW YORK TIMES.

Never Too Big to Fail

The concept of "too big to fail" has now been extended to a huge hedge fund that was run by people thought to be financial wizards. The bailout of the fund by a consortium of the leading financial institutions in the United States is a reminder of how fragile the world's financial markets now are, and of the risks of making big bets that markets will act in predictable ways.

The hedge fund was run by John Meriwether, the former Salomon Brothers official widely viewed as a Wall Street genius. His forte was in trading bonds, buying those that were relatively cheap and selling those that were relatively expensive.

The idea was to make a little money on each trade, and make a lot of money overall by using borrowed money to buy bonds in large quantities. For every dollar put up by investors in the fund, Mr. Meriwether seems to have borrowed more than $20.

In determining what investments to make, Mr. Meriwether and his colleagues, including two Nobel Prize-winning economists, had sophisticated computers that reviewed historical prices of bonds and other financial instruments and found relationships between them.

Strategies were then calculated on the assumption that events that had never happened before could not happen at all. But they did. Bond prices almost always rise and fall together. But in the current financial crisis, the prices of U.S. Treasury bonds have soared as investors bought them in search of safety while the prices of most other bonds — backed by corporations or by other governments — have fallen, as investors grew nervous about the risks involved.

Unfortunately, Mr. Meriwether, who at the peak was managing more than $100 billion — the vast majority of it borrowed money — had bet against such an occurrence. After all, that is what happens almost all the time.

The odds were with Mr. Meriwether, whose fund returned profits of more than 40 percent a year in 1995 and 1996, and of 17 percent in 1997, even after hefty management fees. But betting the way he did turns out to be a little like Russian roulette: The odds of winning are very good, but you cannot play again if you lose.

Effectively, Mr. Meriwether's fund has been taken over by the banks and brokerage houses that lent money to it. Investors in the fund, who had to put up a minimum of $10 million each, are likely to lose virtually all the money they invested.

There is no public money in the $3.5 billion bailout, but it was organized by the Federal Reserve, which stepped in because of fears that shaky financial markets would suffer even more if Mr. Meriwether's fund was forced to liquidate its holdings.

At best, markets will return to normal and the banks that kept Mr. Meriwether's fund afloat will make some money, perhaps even enough to share with the original investors. At worst, markets will continue to sink and the bailout money will vanish.

The great bull market of the 1980s and 1990s has been built in significant ways on leverage, as big players found ways to borrow to the hilt. Now the banks that made the loans are getting nervous and demanding more collateral before lending to other hedge funds.

That contraction in credit is prudent, but it will put more pressure on financial markets that are already feeling the strain.

—THE NEW YORK TIMES.

A Hand to the Haitians

The House of Representatives still has a chance to erase an instance of special unfairness in the immigration law by accepting, in a Treasury and Postal Service appropriations conference, Senate language offering legal permanent residence to certain deserving Haitians otherwise mired in limbo.

The 40,000 or so Haitians whose status is at issue arrived in the United States illegally but have for the most part worked hard and pursued the American dream for years. Other former residents of the Caribbean and Central American region in similar circumstances have commonly gained one or another form of immigration privilege.

Just last year, for instance, 150,000 Nicaraguans (and some Cubans) who had fled repression or violence years ago were made eligible for permanent residence. Haitians, most of them former boat people who took high risks to get to the United States and hard jobs to stay, were offered nothing at all.

This year the Senate moved to plug the gap, and agreed on a narrow form of immigration relief for perhaps a quarter of the Haitians craving it. The House went its own even narrower way with a requirement that immigrants demonstrate one by one that their return to their poor, torn homeland would inflict "extreme hardship." The expense and delay built into this procedure make it likely that few Haitians would make it through.

The poverty of Central America, the Caribbean and Mexico, their proximity, and the porousness of their border with the United States ensure a continuing flow of immigrants, legal and illegal.

We are right to try to manage and control the flow. But the irreducible overflow must be treated with fairness and a measure of humanity consistent with the traditional American respect for people who seek out a better life — and who contribute to a better life for earlier immigrants, whose number include almost all of us.

—THE WASHINGTON POST.

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Fed's Philosopher-King Flubs on Asian Quagmire

By Tom Plate

LOS ANGELES — These are undoubtedly sad days for Bill Clinton's increasingly frail presidency, but at least he is trying to say the right things about the world's shaky economy. On Sept. 14 in New York he gave a subdued but excellent speech, cynically viewed by domestic critics who saw it as an effort to divert attention from mounting problems over Monica Lewinsky. That was bad enough. But who would have thought he would be blindsided by the internationally respected chairman of the U.S. Federal Reserve Board?

Alan Greenspan, of scholarly mien, tends to operate on that elevated plane reserved by Plato for philosopher-kings. The top levels of government need more like him. But even the greatest have their off days, which is what happened when Mr. Greenspan testified before Congress last week.

Soothing words could have calmed roiling markets and mended frayed nerves. But just 48 hours after a thoroughly beleaguered Mr. Clinton raised the world's hopes with a call for broadly coordinated policies, including interest-rate reductions by the West to re-energize downtrodden world economies, the Fed chairman dashed cold water on the proposal — and offered surprisingly sharp criticisms of Asia.

Mr. Greenspan told Congress that the developed countries of the West were not endeavoring to coordinate any interest-rate decline and implied that such Fed action would occur only if it were in the immediate economic interest of the United States: "Our actions must be focused at the end of the day on the American economy," he intoned.

Let us hope no one noticed this narrow, nationalistic standard in Tokyo, which has been repeatedly admonished by Washington to reform its economy to ease Asia's recession.

While he was at it, Mr. Greenspan knocked some Asian governments. He heaped scorn on Hong Kong for buying stock to prop up its market against speculators: "They won't succeed," he sourly predicted.

He scoffed, too, at Malaysia's tough new currency controls as if they were little more than a way of avoiding obligations and economic reform.

Asia is listening carefully, but does not like what it hears. On Thursday, at a luncheon in Los Angeles, Malaysia's foreign minister, Abdullah Ahmad Badawi, snapped back: "We must insulate ourselves against speculation that can damage the national economy. This is our country, our people, our unemployment. We can't count on outsiders to help."

The leaders of Hong Kong were, in the words of the Monetary Authority chief there, Joseph Yam, "surprised and indeed somewhat hurt" by Mr. Greenspan's critique. And, during a conference last week in Los Angeles, Henry Tang, chairman of the Federation of Hong Kong Industries, wondered why Mr. Greenspan seemed so eager to dash hopes for a coordinated Western approach to lower interest rates: "The world looks to the U.S. for leadership. To say what Greenspan said to Congress, after the president has suggested just such a move, is very irresponsible."

Asian leaders are well aware that Mr. Greenspan does not work directly for the president. But the Fed chief's comments are worrisome if they in any way reflect condescension toward Asia — and an irritation and impatience that is both unjustified and counterproductive. East Asia is now a full member of the international community, not some provincial colonial outpost.

Asia is not alone in doubting the wisdom of unregulated movement of global capital across national borders. New worries have come from such major American scholars as Jagdish Bhagwati at Columbia University and Paul Krugman at the Massachusetts Institute of Technology. (Mr. Krugman is one of the few who years ago foreshadowed Asia's current crisis).

Indeed, even George Soros, whose investment practices have been blamed for fomenting Asia's troubles, is worried. The contrite but ever-wealthier international financier said: "Instead of acting like a pendulum, financial markets have recently acted like a wrecking ball, knocking over one economy after another. There is an urgent need to rethink and reform the global capitalist system."

Britain's astute prime minister, Tony Blair, speaking at the New York Stock Exchange on Monday, agreed: "We should not be afraid to think radically and fundamentally."

America will only isolate itself, even in its economic ascendance, if it continues to talk down to Asia and other developing regions, in what is clearly their time for downturn.

Mr. Greenspan's foray into international relations missed some important tonalities. To lecture and to contradict is to misunderstand and to alienate.

Mr. Clinton's more empathetic approach to Asia, as illustrated in his remarks in New York about the dark side of international capital flows and in the worthwhile efforts of his second term to develop better relations with Asia, is far more preferable.

It might even be called presidential — if we had a fully functioning presidency.

Los Angeles Times Service.

Listen When Netanyahu Talks About a Peace Deal

By A.M. Rosenthal

NEW YORK — It has been a pretty fine vacation for Americans, hasn't it, a vacation from the whole world for the better part of a year.

Thanks to President Bill Clinton, we could take our minds off things that are a real bother to think about — how Saddam Hussein has smashed the United Nations inspection system, the China-North Korea missile-peddling partnership.

For a few days, Mideast terrorists did penetrate American defenses and consciousness by blowing up two U.S. Embassies. Then U.S. missiles blew up two terrorist targets, we think.

Talking at the rostrum of the United Nations and around New York is a man trying to tell us something: There is no vacation ever for his people or America's.

Maybe Prime Minister Benjamin Netanyahu of Israel is not saying it clearly enough, because people keep telling him to be nice and diplomatic, neither of which I have to be.

He is saying that Israel and the United States are the two countries most in danger from the Iraqs and Irans of the world, from the China-North Korea proliferation combine, from the whole universe of terrorism, whether sponsored by states with weapons and cash, or with decades of propaganda that is anti-American, anti-Jewish, anti-democracy, anti-peace, anti-everything except hatred, hatred.

Also, Mr. Netanyahu is saying that despite misgivings he shares with most of his people, he is ready to give the Palestinians more than they had dreamed of — until the previous government gave them reason to believe they could get all they wanted in the way of land, statehood and arms.

Mr. Netanyahu is saying he was elected precisely because he did not sign on to that much largesse. But he is willing to sign on right now to giving Palestinians 13 percent more land, Washington's drummed-up figure.

The Palestinians would have control of 40 percent of the West Bank, with a final settlement still ahead. Yasser Arafat already governs almost 100 percent of West Bank Palestinians. Israeli rule over Palestinians has already ended.

But the prime minister says there are three conditions, and that for a change he would like Washington to help him, by pushing Mr. Arafat to carry out his promises.

First: As promised, Palestinians must dismantle and destroy the terrorist machinery that otherwise would be forever at the gates of Israeli cities.

Second: The 13 percent would be handed over in three months, as anti-terrorism goals were met and, as promised, the hateful Palestinian covenant scrapped.

Third: Three percent of the 13 is critical to Israel border and water protection. No building or Palestinian forces would be allowed; the Israeli Army would see to it. It would be the first real Palestinian compromise in five years of negotiation.

There are those in Israel and in America, including myself, who have no expectation that Mr. Arafat will accept a peace secure for Israel. They believe that hatred spread by many Muslim regimes and Palestinian officials is so deep and foul that it will take years to clear away the muck.

But I also believe that Mr. Netanyahu deserves the chance to try. At his meetings this coming week with Mr. Netanyahu and Mr. Arafat, Mr. Clinton can tell Palestinians that unless they carry out the conditions they will lose the 13 percent and possibly a lot more.

Mr. Netanyahu knows that if there is an agreement, it will create what he calls a Palestinian entity and what the world will correctly call a Palestinian state.

But he told me that if Mr. Arafat went ahead with his threat to declare an independent state on May 4, without a peace agreement, that would be a unilateral change in status that would "collapse" the Oslo declarations and free Israel to take unilateral action itself, such as annexing parts of the West Bank.

I asked him to repeat that, and he did — slowly, so I could put it down right.

The New York Times.

In Iran-Taleban Standoff, Calculating War's Risks

By Amin Saikal

CANBERRA — Tensions in Afghanistan have recently assumed a wider and more dangerous regional dimension.

While a meeting at the United Nations in New York this week of the United States, China, Russia, Iran, Pakistan, and three central Asian states was intended to prevent foreign intervention in the Afghan civil war, it has not ended the risk that the conflict will spread.

Alarmed by the ruling Taleban militia's push into restive territory in northern Afghanistan last month, and the killing of eight Iranian diplomats and the reported massacre of thousands of Shiites there, Iran has put 270,000 regular troops and Revolutionary Guards on the border with Afghanistan and will soon begin maneuvers.

The reported massacre by the Sunni Islamic militia has put enormous pressure on Iran, where the Shiite sect of Islam dominates, to do something about protecting their brethren. About 20 percent of Afghanistan's population is Shiite.

The eight-nation initiative agreed to at the New York meeting includes a plan to send an special envoy to promote negotiations on forming a broad-based government in Kabul.

President Mohammed Khatami of Iran finds this an acceptable diplomatic move. But Mr. Khatami, who must contend with powerful hard-liners in Tehran, also contends that "the very existence of the Taleban is dangerous in the region."

That sentiment is shared by Afghanistan's Central Asian neighbors, as well as Russia.

Should open military conflict erupt between Iran and the Taleban, the stakes will be high, and no state bears more responsibility for the consequences than Pakistan.

The Iranian leadership is convinced that Pakistan has gone too far in its support of the Taleban. Although Islamabad has only admitted to the presence of "Pakistani volunteers" fighting alongside the Taleban, the Taleban could not survive for long because Pakistan could incapacitate the militia by cutting off its fuel supply.

Tehran is further alarmed that Pakistan, despite its stated willingness to sign a treaty banning nuclear testing, might try to use its nuclear clout to pursue regional expansion.

Tehran is troubled, too, that a regional Arab rival, Saudi Arabia, has bankrolled the Taleban, and that Washington has remained uncharacteristically quiet on the reports of ethnic massacres and the Taleban's transformation of southern Afghanistan into a thriving base for poppy growing, drug trafficking and heroin production.

Tehran also sees, in the Islamic extremist force on its border, collusion by the United States, Pakistan, and Saudi Arabia on the American policy of containing Iran.

Under Article 51 of the UN Charter, Iran would be justified in moving against the Taleban over the murder of the diplomats; they were staffing the Iranian Consulate with the approval of the government of Burhanuddin Rabbani, who is recognized by the UN but was deposed by the Taleban.

Iran may have calculated that, inside Afghanistan, the Taleban is resented not only by non-Pashtun ethnic groups but also by many of the tribally divided Pashtuns who reject Pakistani patronage.

Iran could also count on for approval the Central Asian republics, Russia and India, as well as the UN Security Council's recent rebuke of the militia. Even the United States would find it difficult to act against Iran, given its own missile strikes in Afghanistan against a suspected terrorist that the Taleban is protecting.

Pakistan's power to respond to Iran is constrained by its own bankruptcy and the collapse of its internal structures, as well as its preoccupation of guarding its border with India. Pakistan is friendless in the region — and has only itself to blame.

The writer, director of the Center for Middle Eastern and Central Asian Studies at the Australian National University in Canberra, contributed this comment to the International Herald Tribune.

A Kosovo Option: Conditional Surrender by Ethnic Albanians

By Alan J. Kuperman

WASHINGTON — While Bob Dole is justifiably outraged and saddened by the plight of ethnic Albanians in Kosovo (*"Half Measures in Kosovo Won't Halt Milosevic's Terror," Opinion, Sept. 15*), he neglects to examine the immediate causes of today's conflict and offers a prescription that would worsen the situation.

As the Serbian leader, Slobodan Milosevic eschewed ethnic cleansing in Kosovo for nearly a decade before Kosovar rebels began killing Serbian police early this year. He opened a disproportionate, but initially circumscribed, response that was regrettable but understandable. Indeed, the United States itself embraced such a policy in 1986, when it launched a sizable bombing raid on Libya in response to a terrorist attack that killed an American serviceman in West Berlin.

Belgrade's initial crackdown, however, only enflamed Kosovar emotions, increasing rebel support at home and from expatriate donors. Such new resources, combined with hope inspired by NATO threats of intervention, emboldened the rebels to seize large swaths of territory. Mr. Milosevic, confronted by this rapidly growing rebel threat to his authority, then switched to the scorched-earth, counterinsurgency policy.

While his tactics are appalling, the uncomfortable truth is that today's refugees are a direct consequence of the initial rebel attacks.

Ironically, Mr. Dole decries efforts "to impose a moral equivalence between Serbian forces and the small band of Albanians who have taken up arms against them." I agree, but for opposite reasons. Serbian forces responded to an acute provocation from "terrorists" — as U.S. officials labeled them at the time — and have succeeded in defending fellow Serbs. By contrast, the Kosovo rebels started a war they could not win and thereby caused the displacement of tens of thousands of their brethren.

Mr. Dole's prescription — for the United States and NATO to pressure Mr. Milosevic to withdraw unilaterally from Kosovo as a prelude to negotiations — is a recipe for disaster. First, it is a nonstarter for Mr. Milosevic, who knows such a withdrawal would prompt Kosovo's secession.

Even worse, Mr. Dole's proposed hard line toward Milosevic would only encourage the rebels to stick to their guns, rather than compromise, in the continued hope of foreign intervention. The longer they fight, the more Mr. Milosevic punishes the villages in which they hide, making Kosovar civilians the real losers.

Others propose that NATO send an occupation force to keep peace in Kosovo. While it might succeed, there are several reasons to avoid this option for now. First, it might only postpone the resumption of violence until Western forces tire and withdraw. Second, the West would be intervening in a civil war prior to the signing of any peace treaty, making it more like Somalia — where U.S. troops became targets of combatants — than Bosnia. Third, and perhaps most important, such intervention would reward the Kosovo rebels for their terrorist tactics; their strategy has been to provoke a sufficiently large Serbian crackdown to draw in the West. By falling for it, the West would encourage similar extremism by secessionists around the world.

There is a better solution. The United States immediately should call on the Kosovo rebels to surrender — on the condition that Mr. Milosevic will, in return, cease his military crackdown and continue negotiating autonomy. Mr. Dole rejects such talks as asking victims "to negotiate with those who are attacking them."

But it was the extremist rebels who initiated the current tragedy, making it their responsibility to resolve it. If the rebels refuse, they do not deserve Western intervention and should be left to suffer the consequences. If Kosovo's public disagrees with the rebels, it could reduce its own suffering by ceasing to provide them haven.

I hope, however, the rebels would take up the offer. Then, if Mr. Milosevic rejected it or accepted it in bad faith by renewing his campaign of ethnic cleansing, he would reveal himself an unprovoked aggressor in Kosovo. At that point, NATO intervention would be justified.

More likely, however, Mr. Milosevic would accept the deal, as it would return Kosovo essentially to the status quo ante. Mr. Dole rightly criticizes such an outcome as not "just, permanent or democratic." On the other hand, this strategy could end the violence, avert an impending humanitarian disaster, and hold open the possibility of real autonomy when and if progressive leaders arise in Belgrade.

The writer, a research fellow at the Brookings Institution, contributed this comment to The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Islamic Unity

ST. PETERSBURG — Turkey is preparing secretly for a union among all the Mahommedan countries. There has been sent, in the name of the Sultan to all Moslem Sovereigns, a letter inviting them under the sacred flag of the Prophet. Some persons find an explanation for the arrogance of the Turkish authorities and the recoil of Europe from the demands it has made upon Turkey in an alliance of the kind mentioned, which, under the pretext of safeguarding Islamism, would be utilized to create troubles on the frontier of those European Powers and would distract the attention from the internal affairs of Turkey herself.

1923: Auto Habits

PARIS — [The Herald says in an Editorial:] The automobile's influence upon habits of thought cannot be doubted. It is to be expected that the process of standardisation will gather momentum as the habit of touring increases. It may follow that local dialects and sectional accents will disappear. Then it will be a question whether the Middle Westerner will ask for water as "wawtah" in the fashion of New England or the New Englander will ask for it as "watter" in the fashion of the Middle West.

1948: Italian Gift

ROME — Many Italians want to send one of Italy's art treasures to the United States as a token of gratitude for American post-war aid, according to a poll taken by a Milan weekly. The widely-circulated "L'Europeo" announced that many of its readers think the United States deserves "at least a Michelangelo or a Raphael" and that the gift should be presented to the National Gallery in Washington.

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Leisure

TOMORROW: MONEY

Melbourne: Diversity Down Under

By Susan Gough Henly

MELBOURNE — Forged with gold-rush money at the height of the Victorian era, Melbourne is graced with grand public buildings, tree-lined boulevards and decorous parks. While it may be the most British of Australian cities, it also has one of the world's largest Greek cities, a sizable Vietnamese quarter, neighborhood markets that rival those in Paris and a palm-fringed waterfront akin to Venice Beach, California.

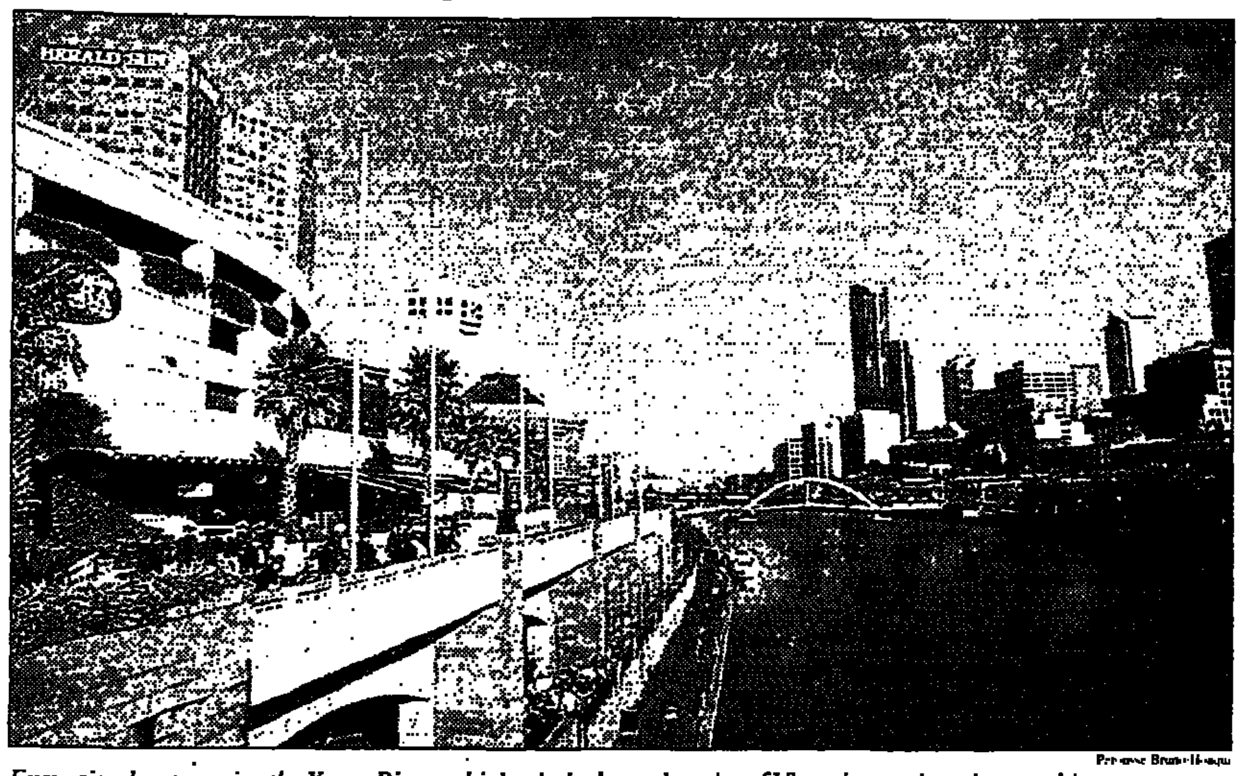
Decades ago, Italian immigrants brought espresso to its cafés. Today its restaurants are sophisticated and multiethnic, drawing from the rich surrounding farmlands, vineyards and coastal waters.

Trams still rattle along the middle of streets on the way to distinctive neighborhoods that ring the city center: fashion-conscious South Yarra, funky St. Kilda by the bay, the terrace houses of Albert Park, retro Fitzroy and the bargain shopping haven of Richmond.

The people here are generally easy-going, but when it comes to sports — be it Aussie Rules football, the Melbourne Cup horse race, the Australian Grand Prix auto race or the Australian Open tennis tournament — they display a rare fanaticism. Long before Sydney, Melbourne was the first Australian city to host the Olympic Games, in 1956.

Melbourne's theater and live music scenes are among the most vibrant in the country, and the National Gallery of Victoria has one of the strongest art collections in the Southern Hemisphere.

The 13th Melbourne Festival, Oct. 15 to Nov. 1, is a celebration of international and Australian performing and visual arts and free street festivals, with this year's themes focusing on the family, migration and indigenous culture. Highlights include "Paintings from Utopia" by the aboriginal artist Emily Kame Kngwarreye at the National Gallery of Victoria, Sept. 8 to Nov. 22, and the French-Albanian company Ballet Preljocaj's erotic "Romeo and Juliet" set in a police state, Oct. 29 to Nov. 1. Oz Opera and Company B Belvoir presents its remake of Leonard Bernstein's "Trouble in Tahiti" from Oct. 22 to 25, and performances of the Abbey Theatre of Dublin's "Secret Fall of Constance Wilde" are Oct. 28 to Nov. 1. "Teatro," by the Italo-, Greek- and Hispanic-Australian IRAA Theater and Canto Coro, Oct. 21 to 24, explores the stories of people living far from their countries of birth searching for a home that does not exist. Tickets: Ticketmaster, (61-3) 9256-8800.



Excursion boats cruise the Yarra River, which winds through a city of Victorian and modern architecture.

THE *Victoria Racing Club's Spring* Racing Carnival at Flemington Racecourse, Oct. 31 to Nov. 7, is Australia's biggest annual international sporting event, the culmination of which is the Foster's Melbourne Cup. More than a horse race, it is a 138-year-old tradition that brings the nation to a stop (this year at 3:20 P.M. on Nov. 3) and is full of all the pomp and fashion of its British counterparts.

Wine Australia, Oct. 22 to 27 at the Melbourne Convention and Exhibition Center, offers a chance to sample more than 8,000 wines from 350 Australian wineries, representing 42 winemaking regions. Visitors can meet the winemakers and match the wines with the country's diverse cuisines. Tickets are $16 a day. Information: (61-8) 8364-1122.

On Oct. 11, the Melbourne Marathon Festival, Australia's oldest and largest, will celebrate its 21st anniversary. Events include the full marathon, half marathon, a bike ride and a 6-kilometer *(3.75-mile) family run-walk. No pre*registration is necessary. Turn up at Aughtie Drive in Albert Park between 6:30 and 7:45 A.M. For information, (61-3) 9819-6888.

Melbourne's city center encompasses a wide range of architecture and shopping. For each of its major east-west streets there is a bustling lane in between worth exploring. Stop by the 19th-century Old Treasury Building, State Houses of Parliament, and the elaborate Princess Theater on Spring Street and wander into the nearby Fitzroy Gardens. Collins Street offers the ultra-chic George's Department Store (No. 162), the ornate old-world Block's shopping arcade (No. 282) and a world of diversity in between.

Slip into Flinders Lane for the galleries; several specialize in aboriginal art. Little Bourke Street is in the heart of the city's Chinatown. Free city-circle trams (painted burgundy and gold) run every 10 minutes and pass many of the major sights, taking about 40 minutes to *make the circuit.*

With almost 1,000 merchants in a series of landmark buildings at the corner of Elizabeth and Victoria streets, the Queen Victoria Market is a multicultural food mecca and a good place to pick up picnic fare. Trading hours are Tuesday and Thursday from 6 A.M. to 2 P.M., Friday 6 A.M. to 6 P.M., Saturday 6 A.M. to 3 P.M. and Sunday 9 A.M. to 4 P.M. Two-hour tours ($9.60 or $11.50) are offered Tuesday, Thursday, Friday and Saturday mornings. Reservations are essential: (61-3) 9320-5822.

Streetcars still clatter through Melbourne's bustling center city.

Several boat companies offer excursions on the Yarra River, which winds through the heart of Melbourne.

And the city's tranquil Royal Botanic Gardens, bordering the Yarra on Alexandra Avenue, offer a diverse selection of native and imported plants. Highlights include the rain forest walk, the eucalyptus and the fern gully, where you may hear flying foxes making a racket in the trees. A delightful teahouse sits beside one of the lakes. Free tours depart from the National Herbarium (F Gate) at 11 A.M. and 2 P.M. Sunday to Friday; (61-3) 9252-2300.

Susan Gough Henly, a free-lance writer who lives in Melbourne, wrote this for The New York Times.

Luxe Lodging in Spain's Palatial Paradors

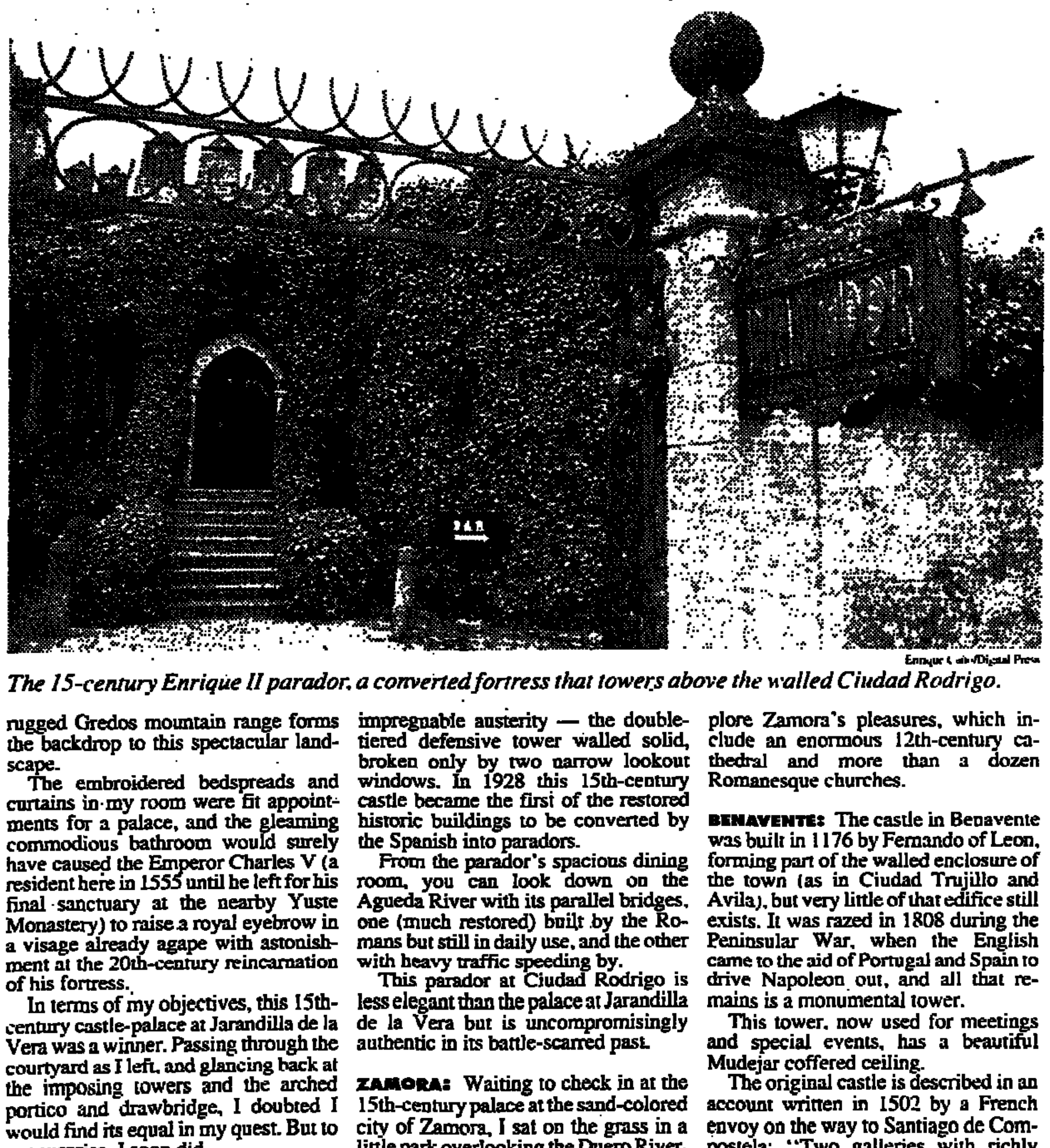
By Robert Packard

MADRID — As many as 2,200 castles embellish the Spanish landscape, counting those in various states of disintegration. I set up an itinerary to visit five of them last May, all within driving distance of Madrid.

I moved from one castle to the other, but any of them could be visited singly on an overnight visit from Madrid. Spain's network of some 85 *paradores*, or inns, owned and run by the government, includes 10 converted castles and seven palaces.

Most of Spain's castles are on Castile's high, broad plateau called the *meseta*, guarded by mountain ranges on three sides.

This terrain, for centuries a battleground for Christians and Moors, offered a multitude of promontories and high land rises suitable for erecting defensive structures bristling with turrets and crenellated walls. On such elevations these castles and their Arabic alcazar-fortress counterparts magnetize the landscape.



The 15-century Enrique II parador, a converted fortress that towers above the walled Ciudad Rodrigo.

AVILA: I set out first for the 11th-century walled city of Avila, just two hours from Madrid. Spain's highest provincial capital, 1,130 meters (3,710 feet) above sea level, Avila is celebrated both for the defensive wall (10 feet thick and an average of 33 feet high, reinforced by 88 semicircular towers) that encircles the city, and as the birthplace of Santa Teresa, Spain's great mystic poet and religious reformer.

But this was not the castle of my fantasies. I found the parador to be a modern reconstruction on the foundation of the 16th-century Piedras Albas palace. What remains of the original is a central stairway and a glazed patio that, along with its tower, adjoins the city wall.

Although it is foolish to pretend that the elegant furniture in the public rooms and the floors of granite and wood in this 61-room parador do more than evoke the original ambience of the palace, something about being housed up against the magnificent wall compensated for the contemporaneity.

JARANDILLA DE LA VERA: I had visited the 15th-century castle at Jarandilla de la Vera, fleetingly some 15 years ago on the way from Guadalupe to Merida. Memory recalled a cavernous building and a single waiter in a very large dining room who never did get around to serving us.

Surprise! I prefer to believe that a transformation has taken place rather than an alarming memory lapse. But clearly the towers and turrets of this 15th-century castle have not changed, and the structure is every inch a stone and granite palace of magisterial appearance. Today all the public rooms are decorated with such flair that one wanted to avoid disturbing the artistry; the gardens explode with bloom and the large swimming pool sits in a lush lawn whose lemon trees drop their fruit as if embarrassed by their abundance. The rugged Gredos mountain range forms the backdrop to this spectacular landscape.

The embroidered bedspreads and curtains in my room were fit appointments for a palace, and the gleaming commodious bathroom would surely have caused the Emperor Charles V (a resident here in 1555 until he left for his final sanctuary at the nearby Yuste Monastery) to raise a royal eyebrow in a visage already agape with astonishment at the 20th-century reincarnation of his fortress.

In terms of my objectives, this 15th-century castle-palace at Jarandilla de la Vera was a winner. Passing through the courtyard as I left, and glancing back at the imposing towers and the arched portico and drawbridge, I doubted I would find its equal in my quest. But to my surprise, I soon did.

CIUDAD RODRIGO: The 15th-century castle-alcazar built in Ciudad Rodrigo by Enrique II some 80 years before the discovery of America gave it formidable competition. The setting is impressive. The turreted castle and the spires of the cathedral rise above the walls of this completely enclosed medieval town (population 14,000).

As you drive slowly, following signs to the fortress, now the Parador Enrique II, on narrow, twisting streets, you pass seignorial mansions, crested and medallioned, as well as rickety dwellings whose upright support seems entirely dependent upon their neighbors. You sight some of the town's six churches, running the architectural gamut from Romanesque to Gothic to Baroque, and marvel at the Romanesque doorway of the Church of San Andreas.

The castle's exterior, high above the Agueda River, exemplifies medieval impregnable austerity — the double-tiered defensive tower walled solid, broken only by two narrow lookout windows. In 1928 this 15th-century castle became the first of the restored historic buildings to be converted by the Spanish into paradors.

From the parador's spacious dining room, you can look down on the Agueda River with its parallel bridges, one (much restored) built by the Romans but still in daily use, and the other with heavy traffic speeding by.

This parador at Ciudad Rodrigo is less elegant than the palace at Jarandilla de la Vera but is uncompromisingly authentic in its battle-scarred past.

ZAMORA: Waiting to check in at the 15th-century palace at the sand-colored city of Zamora, I sat on the grass in a little park overlooking the Duero River. I had an intimate view of the home life in two enormous stork nests, one atop a chimney, the other on a steeple.

Then I was shown to my large, comfortably furnished room, its two windows facing the tree-shaded Plaza de Viriato.

Built on the site of a former Roman fortress, this enormous two-story palace with a severe stone facade was erected in the middle of the 15th century by the Counts of Alba. It once served as a hospice and a poorhouse until its recent conversion into this handsomely furnished 27-room inn. The building surrounds a patio, open to the sky. A majestic stone staircase leads to the cedar-paneled dining room. A mounted knight in full armor stands guard at the entrance.

This parador is not a castle with warlike appurtenances, but a palace designed to house nobility and its retinue. Outside its walls lies a city that invites you to wander about and explore Zamora's pleasures, which include an enormous 12th-century cathedral and more than a dozen Romanesque churches.

BENAVENTE: The castle in Benavente was built in 1176 by Fernando of Leon, forming part of the walled enclosure of the town (as in Ciudad Trujillo and Avila), but very little of that edifice still exists. It was razed in 1808 during the Peninsular War, when the English came to the aid of Portugal and Spain to drive Napoleon out, and all that remains is a monumental tower.

This tower, now used for meetings and special events, has a beautiful Mudejar coffered ceiling.

The original castle is described in an account written in 1502 by a French envoy on the way to Santiago de Compostela: "Two galleries with richly carved and gilt ceilings. Pillars of alabaster and others of marble, jasper and dressed stone sumptuous to a degree. The chapel's vaulted roof soars higher than I can say and is so richly carved, gilded and painted that there is not another like it . . . one of the most exquisite castles in Spain."

My room facing south had a balcony overlooking the lawns and garden where a festive first-communion gathering was taking place. The vista presented a split-screen effect: to the right, beyond the Don Felipe River almost to the horizon, thick woods; to the left, a modern apartment complex.

The parador's northern entranceway faces a municipal garden park, filled with roses and what seemed like the entire population of Benavente on parade that Sunday in May.

Robert Packard, who visits Spain frequently, wrote this for The New York Times.

MOVIE GUIDE

A Soldier's Daughter Never Cries

Directed by James Ivory. U.K.

"I'm a *writer's* daughter," the young heroine of "A Soldier's Daughter Never Cries" finally insists, though her father, a World War II veteran, has always repeated the title phrase in times of trouble. "It's O.K. then," he assures her. "*They* cry all the time." On the evidence of James Ivory's latest film, another thing writers' daughters do is recall with abundant sensitivity the experience of growing up in the shadow of literary celebrity. Adapted by Ivory and Ruth Prawer Jhabvala from an autobiographical novel by Kaylie Jones, daughter of the author of "From Here to Eternity" and "The Thin Red Line," the film describes how Charlotte Anne Willis (Leelee Sobieski) reaches her own maturity while closely watching the world of her father. He is, like James Jones could be, described as a writer of "brutal but honest" prose. In a film that, like "Jefferson in Paris" and "Surviving Picasso," creates a colorful panorama of people and places while also suffering from autobiographical sprawl, the Merchant-Ivory-Jhabvala team brings as much careful detail to this young girl's story as they have to E.M. Forster or Henry James. But with no real narrative shapeliness and a loosely anecdotal pace, "A Soldier's Daughter Never Cries" must rely on more than historical interest to hold attention. In Sobieski, who was only 14 when the film was made and has the cool, alert look of a younger Helen Hunt, the story finds a sympathetic adolescent heroine. But Charlotte Anne (nicknamed Channe) remains a more slender and peripheral figure than the film's wide-ranging ambitions require. The film begins with the French actress Virginie Ledoyen writing a message to her unborn baby, an image that will take on added meaning years later when her son arrives at Channe's home. The boy's name is Benoit, and he is welcomed in (for Channe) bewilderingly short order by her parents, Bill and Marcella Willis. As Bill, Kris Kristofferson makes a gruffly affectionate literary lion who can't easily pull off a line like "I should be there more for you, but this book's driving me crazy." As Marcella, Barbara Hershey flaunts a garish exoticism that makes her the most unpredictable figure in the story. The last and least centered part of the film chronicles the Willis family's move from Paris back to the United States. It is here that Channe's sexual awakening coincides with her father's physical decline. "I can't take any more emotion," someone says during this fraught stage of the story, but in fact even the film's most dramatic moments are presented with decorousness bordering on detachment. If this soldier's daughter never cries, that may be because the rambling tale of her early years has few obvious moments of high drama. *(Janet Maslin, NYT)*

Si je t'aime, prends garde a toi

Directed by Jeanne Labrune. France.

In France, a half dozen women directors are turning failed love affairs into films that portray an almost perfect heroine who takes up with some loser or psychopath, usually younger and poorer. Jeanne Labrune's film "Si je t'aime, prends garde a toi" (If I love you, beware!) is about Muriel, a novelist who has a vast apartment crowded with books, flowers and artifacts; each morning, a new plant seems to sprout out of nowhere. Played by Nathalie Baye, sleek Muriel is so successful that her books go straight from the computer to the screen; she speaks lines like, "I'm only asking for respect." Samuel (Daniel Duval) doesn't deal in respect: He's a rug salesman with a face like a fallen angel and a body like a prizefighter. He shows her his goods, declares he is homeless and phoneless, but offers his ardor. When he moves in, he treats her to violent sex and slaps; when they go out, he makes scenes, she pays the bill. After one of these dinners, a woman less clever might tell Samuel to pack up, but we sit through three restaurant meals, and a couple of ruined home dinners, before he commits the fatal gaffe: He intrudes on her work. Labrune shows the sparring partners in all their nudity — especially Samuel — and distress — especially Muriel, but the match turns into a sadomasochistic exhibition. *(Joan Dupont, IHT)*

Permanent Midnight

Directed by David Veloz. U.S.

Hyped as "a star-studded story of Hollywood's seamy underbelly," "Permanent Midnight" does indeed gaze upon the entertainment industry's pierced navel and other of its more southerly regions. But it isn't so easy to come up with insights into the culture of narcissism, a topic of perennial interest to the moviemakers themselves. "Boogie Nights" managed to explore a new cranny, but this underwhelming insider's exposé hopes to shock the world with tales of sex, drugs and, yes, desperation. Our hero, a cynical sitcom writer (Ben Stiller), actually encounters willful stars, tacky talk-show hosts and crass studio executives. If that's not enough to give a self-important hack a $6,000-a-week heroin habit, what is? Jerry Stahl, whose autobiography is the movie's inspiration, suggests that making gobs of dough writing dialogue for the extraterrestrial hairball "ALF" is such an artistic compromise that the very thought sends him to the nearest toilet to shoot up some smack. Stiller, glowering, bony and pouring sweat, demonstrates all of these with graphic regularity in a performance marked by twitches, tics and flying spittle. The screenwriter David Veloz ("Natural Born Killers") makes his debut behind the camera with this stale and stodgily paced depiction of Stahl's highs and lows. The story, which Veloz also wrote, unfolds via a series of momentum-draining flashbacks. Stahl, who is still in rehab at the movie's outset, provides narration during a marathon tryst in a cheap Phoenix motel room. Maria Bello, as Stahl's bed mate and fellow traveler, is the film's most sympathetic character, aside from Stahl's infant daughter (whom he takes on a drug buy). His wife (Elizabeth Hurley), a Hollywood player who marries him for a green card, subsequently falls in love with Stahl and becomes insanely forgiving of his tantrums and screw-ups. Janeane Garofalo, on board as a hotshot agent, is also inexplicably besotted by Stahl. If Stahl was vain enough to write his memoirs in the first place, well, he'd naturally portray himself as both comic genius and babe magnet. Sometimes you shouldn't write what you know. *(Rita Kempley, WP)*

THE FREQUENT TRAVELER

Video Conference: A Global View

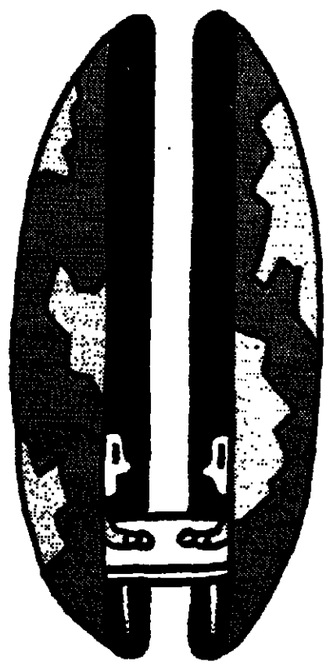
By Roger Collis
International Herald Tribune

IF YOU have ever felt that stepping off a long-haul flight into a business meeting is a form of virtual reality (Couldn't we have done this on the phone?), here comes Rosenbluth International — the second-largest travel management company in the world — with virtual reality in the form of "virtual conferencing," a new product developed by TeleSuite Corporation, which it is offering to corporate clients as an alternative to business travel.

TeleSuite claims to achieve what ordinary video conferencing "has always promised but never delivered." Participants appear life-sized and you have the illusion that they're in the same room — which means that you can behave naturally and don't have to change the way you normally communicate. You use the same body language. What's more, you don't need a Space Invaders helmet.

"Ultimately, we're in the business of connecting people," says Danamichelle O'Brien, vice president and chief travel scientists at Rosenbluth International in Philadelphia. "Virtual travel is the next logical step for our business. And TeleSuite allows us to connect our clients from point A to point B in a shorter amount of time. As we've seen in all business practices from overnight delivery to e-mail, this era is about time compression — allowing people to do more — faster.

"'Don't leave home' is not typical advice from a travel company," O'Brien says, "but if it makes sense for our client, we recommend it. Virtual conferencing, video conferencing or PC-based conferencing will not replace travel. There will always be a need to be somewhere in person. Just as the fax machine and the postal service coexist, so can virtual travel and actual travel. What we're creating with TeleSuite is virtual airlines. It may allow people to make three trips instead of five, or travel the same amount and just speed up their business cycles."



Susan Goldenberg/IHT

LIFE-SIZED WITH EYE CONTACT

Scott Allen, vice president of corporate communications at TeleSuite in Dayton, Ohio, says: "We set out with IBM Global Services and NEC Technologies to design a new video conferencing system that didn't have a roll-about monitor with a camera sitting on top. Normally, you can only have your head life-size on a monitor screen, and if you see someone moving around, the image is very jerky.

"We wanted people to feel that they were in the same room, like sitting across the desk, not just because they are life-sized and make eye contact with you, and the voice is coming from their direction, but because they're standing on the same carpet in your office, with the same wall covering, the same decor," Allen said. "We have built what you may call a virtual environment — a telepresence whereby you are projecting yourself into someone else's virtual reality."

Picture this. Take a conference room with a circular or oval table. Then chop the room in half right through the table and put a 100-inch high-resolution screen down the middle and pull the room apart — 100 or 1,000 miles — and connect the two halves with a very high bandwidth cable. When the screen illuminates, you see the other half of your table completed as a mirror-image drawn on the screen with participants from the other site sitting around the table with you as in a normal conference room.

You make a call to TeleSuite saying you want to use the system at such and such a time. TeleSuite makes the bookings with the various locations involved. Half an hour before the conference the locations are automatically connected, the lights come on, the screen is illuminated, and you just walk into the room and engage the other participants face-to-face, just as you would in a meeting room down the hall.

"We are right now facilitating a nine-city meeting for IBM to train people to use a new software program," Allen says.

"Of course, it would be chaotic if 29 locations tried to communicate one with the other," he says. "But we have done up to six meetings that are fully interactive — it's just that participants need to be self-disciplined and not all speak at the same time. And, of course, you have to make the picture smaller. But you can have the illusion of being in the room with up to three sites. You can have a voice-activated system whereby whatever location is talking, they are the ones on full screen. Some people like that; others like windows on a split screen."

The TeleSuite conference room comes in a modular design that can be erected as a room within a room at corporate locations. TeleSuite has 17 public locations in the United States available for hourly reservations at Hilton hotels, including the Waldorf-Astoria in New York, the Capital Hilton in Washington, and the Atlanta Hilton and Towers.

"We expect to have our first international locations in Paris, London, Tokyo and Frankfurt by the first quarter of 1999," Allen says.

There is growing demand for video conferencing in Asia. The Hyatt Regency Osaka claims to be the first hotel in Japan to have satellite teleconferencing facilities, via Global Vision Network, connected with 37 other venues in the Asia-Pacific region and with links to the United States and Europe.

Teleconferencing by satellite provides one-way vision, two-way sound and is most suitable for point-to-multipoint applications. For example, a training seminar or marketing meeting in Japan can be broadcast to other sites and questions can be fed back via digital phone lines. Similar facilities are available at the Park Hyatt Tokyo, Grand Hyatt Hong Kong, Grand Hyatt Seoul, Grand Hyatt Taipei and the Hyatt Suajana in Malaysia.

Park Hyatt Tokyo claims to be the only hotel in the city providing video conferencing on demand 24 hours a day in an arrangement with Face-To-Face Communications in Tokyo.

A recent link with the Grand Hyatt Hong Kong allows you to conduct a one-hour video conference with up to 10 participants from each side for 120,000 yen ($886) — less than an undiscounted round-trip economy fare between the two cities. The hourly charge from the Grand Hyatt Hong Kong is 75,000 yen. It costs around 87,000 yen to link up with Britain or France.

Kate Burchill, a Hyatt spokeswoman in London, says that video conferencing is mainly used for monthly strategy sessions and troubleshooting, client presentations, training sessions and interviews of job candidates.

Video conferencing is probably less about saving money on travel and more about global teamwork. It enables people to attend meetings who might not normally attend if they had to travel — for example, senior managers or specialists.

GOOD TRAVEL DEALS

Sophie Dessner

AIR CHINA	China	International passengers can claim discounts up to 50 percent on domestic fares in first, business or economy class.
AIR CHINA	Britain to Australia	A round-trip ticket for travel in December includes one night's accommodation in Beijing on the return journey plus free connecting flights between Edinburgh, Glasgow or Manchester and London Heathrow on British Midland. (44-171) 630-0919.
BRITISH AIRWAYS	Europe	"Jackpot Miles" promotion allows Executive Club members to earn bonus miles. Examples: 32,000 miles for three round-trips in economy within Europe; 120,000 miles for three round-trips outside Europe; 32,000 miles for one business-class round-trip between Paris and London. Until April 30.
GULF AIR	Britain to Asia	Round-trip business-class fares from £979 ($1,645) from London to Bangkok, Manila or Jakarta. Until Nov. 30. Bridge The World (44-171) 734-7440.
GULF AIR	Britain to Asia	Round-trip business-class fare of £986 ($1,655) from London to Hong Kong or Singapore. Until Nov. 30.
KUWAIT AIRWAYS	London to New York	First-class round-trip fare of £978 ($1,645). For travel until June 30. Aviation World (44-171) 224-4884.
LUFTHANSA/ UNITED AIRLINES	France to United States	Round-trip "Early Bird" fares from Paris, Lyon, Strasbourg, Toulouse, Bordeaux, Marseille or Nice to 15 destinations in the United States, from 2,048 to 2,898 francs ($360 to $510). Examples: Paris/Marseille-New York, 2,048 francs; Paris-Miami, 2,898; Strasbourg-San Francisco, 2,779; Nice-Miami, 2,898. Some conditions apply. For travel between Nov. 1 and Dec. 12 and between Jan. 5 and March 31.
QANTAS/ BRITISH AIRWAYS	Britain to Australia	Buy a round-trip ticket to the east coast of Australia for a free round-trip to one of 17 European destinations, two Australian domestic flights or a round-trip flight from Australia to New Zealand. Valid for bookings before Oct. 16 for travel between Nov. 1 and Dec. 9 and Jan. 15 and March 15. Qantas (44-345) 747-767.
VIRGIN ATLANTIC	Britain to United States	Seven-day fly-drive package from London Gatwick to Boston for £323 ($543) per person (based on two people traveling) includes round-trip flights and all-inclusive car rental with Alamo, unlimited mileage, liability-insurance supplement, state charges, airport fees and state tax. Must book by Sept. 30 for departure from Oct. 1 to Oct. 30. Trailfinders (44-171) 937-5400.
VIRGIN ATLANTIC	Britain to Caribbean	Round-trip "Carnival" fare of £349 ($585) from London Gatwick to St. Lucia, Barbados and Antigua. For departures before Nov. 30 and return before Dec. 20.
GRAND HYATT	Hong Kong	"Privilege Plan" for 2,150 Hong Kong dollars $277, plus tax and service, per night includes limo airport transfers, American breakfast, free local calls and late check-out until 6 P.M. Until Dec. 31.
PENINSULA	Manila	"Business Plus" package for $180 per room per night in a "deluxe" room (based on a two-night stay) includes American breakfast, one-way limo airport transfer, free local calls and late check-out until 6 P.M.; upgrade on subsequent Business Plus visits. Until Dec. 31.
WESTIN PLAZA	Singapore	"Corporate Class" deal for 260 Singapore dollars ($150) a night, plus tax and service, in a "deluxe" room includes an upgrade, American breakfast, late check-out till 6 P.M., free local calls and no access charge for long-distance. Until March 31. (65) 339-6633.
WESTIN STAMFORD	Singapore	"Westin Weekend" rate of 188 Singapore dollars ($108) a night, plus tax and service, includes upgrade to a Harbor View room, breakfast for two, late check-out till 6 P.M. and free local calls. Until March 31. (65) 339-6633.

Although the IHT carefully checks these offers, please be forewarned that some travel agents may be unaware of them, or unable to book them.

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What's New: Updates for the European Traveler

New York Times Service

LONDON — Sadler's Wells Theatre will get a new home on its old site when it reopens Oct. 12, with computerized flying machinery, state-of-the-art lighting and a glass facade that will act as a video screen. The theater, which dates from 1683, has been closed for two years for the $82 million construction project.

Situated in Islington Sadler's Wells is the second oldest working theater in London after the Drury Lane.

The design includes a new auditorium with 1,500 to 1,800 seats. The previously cramped stage now will accommodate a 60-member corps de ballet or chorus and 90-piece orchestra. Art exhibits will be staged in the enlarged foyer; a small studio space, the Lilian Baylis, seating 200, will be ready in March.

One of Britain's leading contemporary dance companies, the Rambert Dance Company, will perform at Sadler's Wells Oct. 12 to 17. The program will be followed by the Royal Ballet, still homeless while Covent Garden is being renovated, from Oct. 20 to Nov. 7.

TO MAJORCA, FASTER

The ferry between Barcelona and Palma de Majorca in the Balearic Islands was a state-run monopoly for 19 years until last summer, when a new private competitor, Buquebus, introduced a sleek catamaran that makes the trip in 3 hours and 25 minutes, one hour faster than the government ferry. Yet both charge the same for a one-way ticket, $90 in first class, at 141 pesetas to the dollar, and $58 in tourist class.

Buquebus, of Buenos Aires, also has committed to operating its fast ferry throughout the year, unlike the state-owned Transmediterranea, which runs a slower eight-hour ferry year-round but uses its fast ferry only during the summer and other peak vacation periods.

Buquebuscan carry 900 passengers and 240 vehicles. (The fee for a standard-sized car is about $132.)

Through this month, Buquebus will operate two trips daily in each direction. Starting Oct. 1, there will be one ferry in each direction on Monday to Thursday and on Saturday, and two in each direction on Friday and Sunday. Buquebus telephone: (34) 93-481-7360 from abroad, 902-414242 in Spain.

VILLAS IN ITALY

An Italian bed-and-breakfast chain called Caffelletto, which began operating a few months ago, offers rooms in more than 60 homes — some with noble lineage — throughout Italy. The homes have been chosen for historic association, location and comfort.

The company's bilingual guide is divided into 10 regions, each with a brief description of its character, art, cuisine and people. There's a chalet at the foot of Mount Marmolada, the highest peak in the Dolomites, where you can ski in winter and go on nature walks in summer. Or one might prefer the Villa Pisani, a 17th-century palazzo built by Francesco Cardinal Pisani as his summer residence in the small town of Vescovana, a short drive from Padua and Venice.

Another choice, the Sosta a' Busini, a Medici villa built in 1400, is about 35 kilometers (20 miles) east of Florence and surrounded by a 272-acre park that offers swimming and tennis and a working farm where Chianti wine and olive oil are produced.

Prices start at $27 a person, double occupancy, for lodgings with private bath and breakfast, and range up to $48 to $90 a person in the luxury category.

The guidebook, $12 plus about $10 shipping and handling, can be ordered by e-mail (info@caffelletto.it) or fax.

Contact Caffelletto, 23 Via di Marciola, 50020 San Vincenzo a Torri, Firenze, Italy; (39-055) 730-9145, fax (39-055) 768-121.

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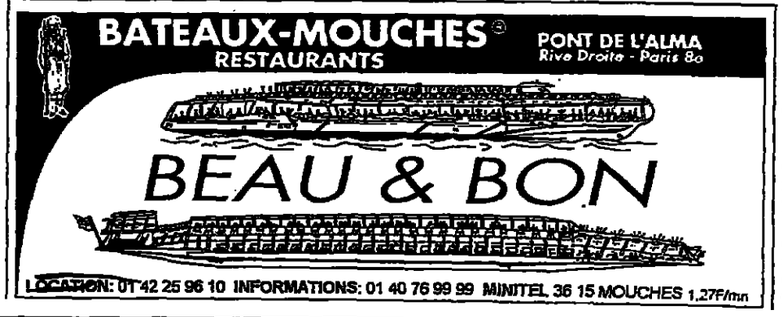

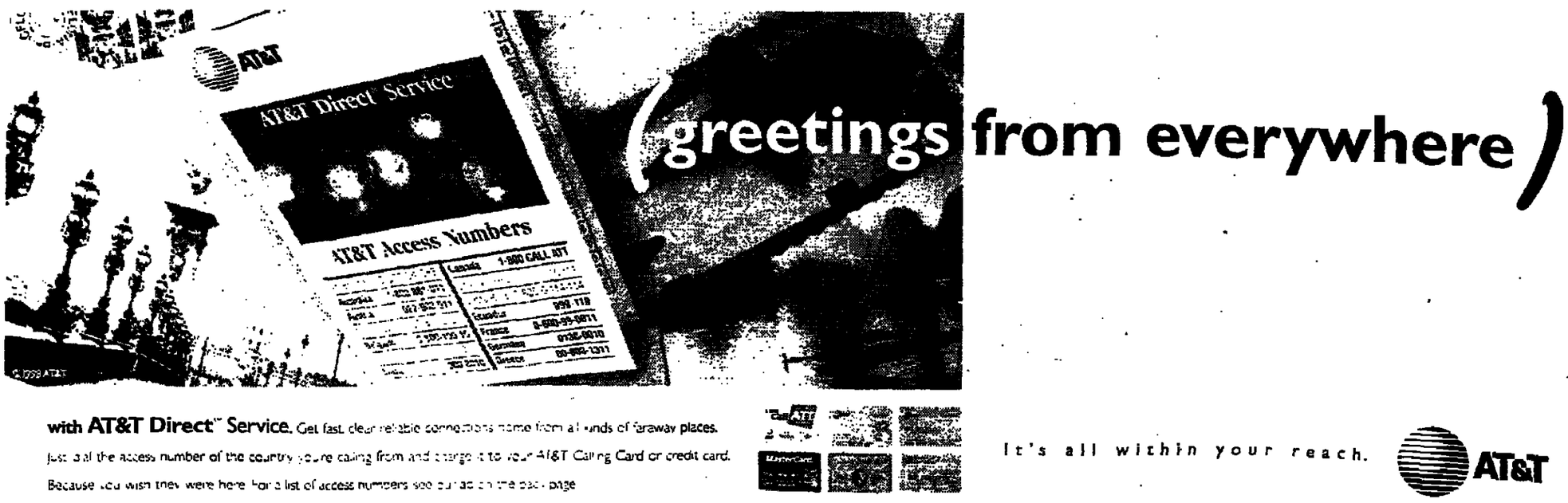

هكذا من الأصل

ARTS GUIDE

AUSTRIA

VIENNA

KunstHausWien, tel: (1) 712-04-95, open daily. To Jan. 31: "Peter Lindbergh: Images of Women." Lindbergh focuses on photography for international designers and fashion stylists. The 200 photographs gathered here document his work in fashion and advertising, but also include landscapes, nudes and still lifes.

20er Haus, tel: (1) 317-6900, closed Mondays. To Nov. 1: "Felix Gonzales-Torres." A retrospective of the works of the New York artist who died in 1996 at age 38. Gonzales-Torres resorted to the formal vocabulary of Minimal and Conceptual Art of the 1960s, while charging it with concepts of love, transience and death.

www.mmksiw.or.at/mmksiw

BELGIUM

ANTWERP

Hessenhuis, tel: (3) 206-0350, closed Mondays. **Continuing/** To Oct. 11: "L'Art Non Conformiste d'Union Sovietique, 1956-1986." After Stalin's death in 1953, nonconformist, nonofficial artists were able to exhibit their works: surrealism, expressionism, photo-realism and conceptual art flourished.

BRUGES

Memlingmuseum, tel: (50) 44-66-44, open daily. **Continuing/**To Dec. 6: "From Memling to Pourbus." Focuses on 15th- and 16th-century art in Bruges with paintings by Hans Memling, Gerard David and Pieter Pourbus.

LIEGE

Salle Saint-Georges, tel: (4) 349-00-42, closed Mondays. To Dec. 20: "Marc Chagall." Approximately 80 paintings, gouaches and watercolors document the evolution of Chagall's oeuvre, as a metaphoricand poetic expression of the dreams and hopes of mankind.

www.ulg.ac.be/chagall

BRITAIN

LONDON

National Gallery, tel: (171) 747-2885 open daily. Dec. 13: "Mirror Image." A small exhibition that investigates the pictorial representation of mirrors and reflections. Also explores the meanings attached to mirrors in allegorical and various paintings.

www.nationalgallery.org.uk

Imperial War Museum, tel: (171) 416 5000, open daily. To Dec. 28: "1918-1998: The First World War Remembered." The story of the Unknown Warrior, the creation of relics, sculptures, cemeteries and monuments as symbols of remembrance, and the impact of war on society and its recording by artists, writers and composers.

www.iwm.org.uk

FRANCE

PARIS

Hotel de Sully, tel: 01 42-74-47-75, closed Mondays. To Jan. 3: "W. Eugene Smith." Works by the American photojournalist (1918-1978). Smith's photographs were published in Life magazine until 1954, when he resigned to protest publication of a display on Albert Schweitzer against his wishes.

Musee Cernuschi, tel: 01-45-63-50-75, closed Mondays. To Jan. 10: "Rites et Festins de la Chine Antique: Bronzes du Musee de Shanghai." On loan from the Shanghai Museum, a selection of more than 50 ancient bronzes that were used in rituals, and for food and beverages.

GERMANY

COLOGNE

Museum fur Ostasiatische Kunst, tel: (221) 94-05-18-0, closed Mondays. To Nov. 15: "Herbstwind in den Kiefern." "Autumn wind in the pines" is the theme of this exhibition of Japanese paintings, watercolors and religious sculpture.

www.mok.museenkoeln.de

FRANKFURT

Staedel, tel: (69) 60-50-98-115. To Jan. 10: "Innenleben: The History of the Interior." Depictions of bourgeois interior scenes, by 17th-century Dutch painters, such as Vermeer and Jan Steen; 18th-century French artists, such as Boucher, Chardin and Fragonard; German Romantics and French Impressionists; and 20th-century American painters, including Hopper, Segal and Oldenburg.

HONG KONG

University Museum and Art Gallery, University of Hong Kong, tel: 2859-2114, closed Sundays and holidays. To Dec. 15: "In the Footsteps of Buddha: An Iconic Journey from India to China." Masterpieces of Buddhist art on loan from foreign museums. They trace the migration of ideas and objects and the link between civilizations through Buddhist beliefs and imageries.

www.hku.hk

ITALY

VENICE

Palazzo Grassi, tel: (041) 522-9875, open daily. **Continuing/** To May 16: "I Maya." One hundred items trace the development of the Maya civilization in Central America and Mexico.

JAPAN

NAGOYA

Nagoya City Museum, tel: (52) 853-2655, closed Mondays and the fourth Tuesday of each month. To Oct. 11: "Buddha Exhibition." Items of Buddhist art illustrating its spread and evolution in Asia.

TOKYO

Setagaya Art Museum, tel: (3) 3415-6011, closed 2d and 4th Mondays of the month. **Continuing/** To Oct. 18: "James Turrell: Where Does the Light in Our Dreams Come From?" Site-specific works by the American artist (born 1943) explore visual perception and the use of light.

NETHERLANDS

AMSTERDAM

Pro Litteris Zurich

From Zurich's "Max Beckmann und Paris" show.

Stedelijk Museum, tel: (20) 5732-911, open daily. To Nov. 29: "Bill Viola: 25-Year Survey." The exhibition of 15 installations and 20 video tapes by the American video artist (born 1951) is staged by the director Peter Sellars. They reflect a modern world that balances between dream and reality, idyll and purgatory.

SINGAPORE

National Museum of Singapore, tel: 332-3659, closed Mondays. To March 7: "Up, Up Into the Sky." Kites in festivals and rituals.

SPAIN

BILBAO

Guggenheim Museum, tel: (4) 435-9000, closed Mondays. To Jan. 3: "Cristina Iglesias." Twenty recent sculptures by the Basque artist who works with industrial materials such as concrete, iron and glass combined with vegetal motifs. The idea of space within a space is one of her recurrent themes.

www.bm30.es/guggenheim

SWITZERLAND

ZURICH

Kunsthaus, tel: (1) 251-6765, closed Mondays. To Jan. 3: "Max Beckmann und Paris." An exhibition devoted to the German painter (1884-1950) and his complex involvement with the French art scene after the painter moved to Paris in 1929. Fifty works by Braque, Leger, Matisse, Picasso and Rouault are shown together with 50 works by Beckmann.

The State Hermitage Museum, St. Petersburg

Portraits by Hans Holbein the Elder at the Pierpont Morgan Library in New York.

LOCARNO

Pinacoteca Casa Rusca, tel: (91) 756-3185-6, closed Mondays. To Dec. 20: "Antoni Tapies." A selection of works by the Spanish painter (born 1923): Ranges from 1950s paintings denouncing the Franco regime to more recent graffiti, sculptures and assemblages that use sand, wood, ceramics and other everyday objects.

UNITED STATES

BOSTON

Museum of Fine Arts, tel: (617) 267-9300, open daily, except Thanksgiving and To Dec. 27: "Monet in the 20th Century" More than 80 paintings produced by the French Impressionist from 1900, when he was 60, until his death at age 86 in 1926. The exhibition, which includes views of the artist's home at Giverny, the Thames in London and of Venice, as well as studies of water lilies, will travel to London.

www.boston.com/mfa/monet/

CHICAGO

Art Institute, tel: (312) 443-3600, open daily. To Jan. 10: "Julia Margaret Cameron's Women." Cameron (1815-1879) photographed many prominent Victorian intellectuals. However, portraits of women constitute the bulk of her work where she sought to capture what she called the "inner spirit" of her sitter. The exhibition will travel to New York and San Francisco.

www.artic.edu

LOS ANGELES

Geffen Contemporary at MOCA, tel: (213) 621-2766. To Jan. 3: "Richard Serra." The exhibition of eight large works by the American artist (born in 1939), including six works from his new series "Torqued Ellipses," will travel to the Guggenheim Museum in Bilbao, Spain, in the spring of 1999.

www.moca-la.org

Los Angeles Country Museum of Art, tel: (213) 857-6500, closed Mondays. To Jan. 4: "An Expressionist in Paris: The Paintings of Chaim Soutine." More than 50 landscapes, still lifes and portraits by the Russian painter (1893-1943), whose art has been described as nervous, distorted, raw and extravagant.

http://lacma.org

NEW YORK

Metropolitan Museum of Art, tel: (212) 570-3951, closed Mondays. To Jan. 3: "From Van Eyck to Bruegel: Early Netherlandish Paintings." A collection of paintings by 15th- and 16th-century artists such as van Eyck, Petrus Christus, Hans Memling, Gerard David and Pieter Bruegel the Elder. The use of oil painting as the primary medium, the naturalistic depiction of the visible world, the evolution of portraiture, landscape, allegory and genre painting had their origins in this century and a half of innovation.

www.metmuseum.org

Pierpont Morgan Library, tel: (212) 685-0008, closed Mondays and holidays. To Jan. 10: "Master Drawings from the Hermitage and Pushkin Museums." More than 100 West European drawings spanning the 15th to the 20th centuries and representing the major schools of West European draftsmanship with a special emphasis on Rubens, Greuze, Matisse and Picasso.

Whitney Museum of American Art, tel: (212) 570-3633, closed Mondays and Tuesdays. To Jan. 3: "Bob Thompson." More than 100 paintings and drawings by the African-American figurative expressionist painter (1937-1966). The exhibition focuses on the years 1959-1965, when Thompson's work was characterized by bright palettes, thick paint and silhouetted figures.

www.echonyc.com/~whitney

PHILADELPHIA

Philadelphia Museum of Art, tel: (215) 684-7860, closed Mondays. To Jan. 3: "Delacroix: The Late Work." An exhibition of 70 paintings and 40 works on paper by the French painter (1798-1863). With subjects ranging from saints and warriors, from Arab hunting scenes to bouquets of flowers, Delacroix's late works reveal more spiritual intensity than the former large public commissions.

http://pma.libertynet.org

WASHINGTON

National Museum of African Art, tel: (202) 357-2700, open daily. To Feb 28: "South Africa, 1936-1949: Photographs by Constance Stuart Larrabee." Photographs of South African people and their activities, architecture and landscapes.

Phillips Collection, tel: (202) 387-2151, closed Mondays. To Jan. 3: "Impressionists in Winter: Effets de Neige." Focuses on snow scenes by Monet, Sisley and Pissarro,among others, who were inspired by the challenge of painting a predominantly white subject and by the infinite possible combination of color and light.

EUROPEAN TOUR

Saint Louis Symphony Orchestra. Conductor Hans Vonk takes the orchestra to Britain (London, Birmingham and Manchester, Oct. 1, 2, 3); Germany (Cologne, Hannover, Hamburg, Augsburg, Stuttgart, Oct. 4-15), France (Paris, (Oct. 8, Toulouse, Oct 16), Vienna (Oct 14) and Madrid (Oct. 17) Bruckner's Symphony No. 9 is featured most evenings.

CLOSING SOON

ASIA

Sept. 26: "Landscapes by Hokusai, Kuniyoshi and Hiroshige." **Ota Memorial Museum of Art, Tokyo.**

EUROPE

Sept. 27: "Roy Lichtenstein." **Fondation Beyeler, Basle, Switzerland.**

www.beyeler.com

Sept. 27: "Frammenti di Moda." **Galleria Civica, Padova, Italy.**

Sept. 28: "A la Gloire du Roi: Van der Meulen, Peintre des Conquetes de Louis XIV." **Musee des Beaux-Arts, Dijon, France.**

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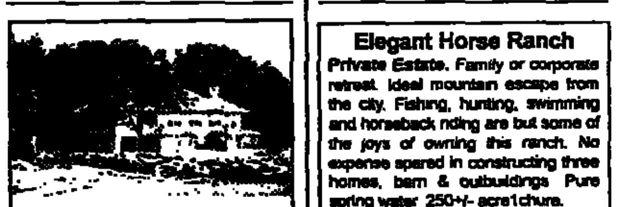

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Herald Tribune INTERNATIONAL
BUSINESS/FINANCE
FRIDAY, SEPTEMBER 25, 1998

The Humbling of a Wall Street Legend

By Ianthe Jeanne Dugan
Washington Post Service

GREENWICH, Connecticut — The three-story office building at 1 East Weaver Street, tucked amid the houses and thick landscaping of this posh residential neighborhood, seems an unlikely site for one of the biggest financial missteps ever to hit Wall Street.

But the headquarters of Long-Term Capital Management LP stands as testament to the legendary private nature of John Meriwether, the "Liars' Poker" champion who left Salomon Brothers Inc. in 1994 with a team of mathematical whiz kids to start his own investment fund.

This week, a security guard told a visitor that Mr. Meriwether was immersed in meetings in his office.

Back in New York, more than two dozen banks and brokerage firms were trying to put together a resuscitation plan for the fund, which had run out of capital to support more than $100 billion in financial obligations it had undertaken with borrowed money.

"He is talking to a lot of people about a lot of things," a spokesman said, "and that's all we can say."

People who know Mr. Meriwether and his high-profile partners — who include two Nobel laureates and a former deputy chairman of the Federal Reserve Board — have been bewildered by the crash of the formerly wildly profitable fund.

"How could such smart people turn out to be so wrong?" one Wall Street investor wondered.

Mr. Meriwether was considered almost a god by some for creating the bond-arbitrage desk at Salomon that turned into one of the biggest money machines on Wall Street. His legend only grew when writer Michael Lewis, in his best-selling book "Liar's Poker," chronicled how Mr. Meriwether had not blinked while supposedly making a $1 million bet with his boss at Salomon.

Former colleagues said Mr. Meriwether liked to hire people smarter than himself. At Long-Term Capital Management, partners included Myron Scholes, an academic and co-inventor of the world's first model to value options; the economist Robert C. Merton, and David Mullins, the former Fed deputy chairman. Together, they tripled investments in their first two years.

"It was the Cadillac of hedge funds," one Wall Street investor said. "It was very speculative but low-risk."

But if it sounded too good to be true, that may be because it was. The famous methodology began backfiring in July. In August, Mr. Meriwether told investors that the fund had lost more than 44 percent of its equity capital.

"John has felt disappointment before," said a close acquaintance. "But never has he had such a high-profile, high-visibility disappointment."

Perhaps the biggest public embarrassment for Mr. Meriwether came in early 1991, when he was tarred by the Treasury bond-rigging scandal at Salomon.

Although he was not charged with wrongdoing, he left the firm. He took with him several veterans from the bond-arbitrage desk whom he had hired for their mathematical approach to trading.

Rather than basing their bets on simple ideas such as whether interest rates would rise or fall, the firm's traders combed for anomalies and mispricings in the value of bonds and derivatives in relation to each other, a strategy called quantitative arbitrage.

But with various investments spread around the globe, their models blew up when economies in Asia and Latin America cratered. Adding to the troubles, nervous investors began to flee many hedge funds, pulling out capital that otherwise would have helped cover losses.

The science fared so poorly in the new global environment, in fact, that Salomon in August dismantled its bond-arbitrage desk.

So in Greenwich on Wednesday, groups of people in business suits streamed in and out of the premises, looking for answers. Inside, casually dressed workers strolled by, heads down. On Wall Street, meanwhile, former colleagues were dumbfounded to see that Mr. Meriwether's magic touch had vanished.

"It is sad and shocking," one said.

John Meriwether in a 1989 photo.

First Deputy Premier Shokhin, left, conferring with Russia's central bank chief at a news conference Thursday.

Prices Surge as Russia Scrambles

By David Hoffman
Washington Post Service

MOSCOW — Just five weeks after Russia devalued the ruble, inflation has begun to skyrocket, government statistics showed Thursday, and key aspects of the devaluation package have started to unravel. Russian officials warned that only more Western aid would keep the economy from collapse.

Prime Minister Yevgeni Primakov made the surprising claim that the Aug. 17 devaluation of the ruble — which unleashed the worst economic crisis in post-Soviet Russia's seven-year history — had been decided without President Boris Yeltsin's approval. Other officials said Mr. Yeltsin had been told by the government of then-Prime Minister Sergei Kiriyenko about the devaluation but might not have been fully informed about a domestic debt default and a 90-day moratorium on overseas loan payments.

Mr. Primakov's statement distancing Mr. Yeltsin from the decision came after mounting criticism of the loan moratorium, which appears to be crumbling as some companies defy the government and pay their debts. The default on domestic Treasury bonds is also proving difficult to resolve as Russian officials struggle with Western banks and domestic holders over the bonds, which are now almost worthless.

The first meeting of Mr. Primakov's still-incomplete cabinet Thursday brought a welter of conflicting statements, suggesting that the government does not yet have a single economic plan and is torn between several ideological camps, among them Soviet-era economists and post-Soviet reformers.

Mr. Primakov was reported to have chosen Alexander Livshits as his finance minister. He has already held the post and worked closely with reformers.

Mr. Primakov has yet to outline a full economic plan and instead has broadcast mixed signals. For example, top officials have said that Russia will not print new money or that it might emit a "controlled" amount. The chairman of the central bank, Viktor Gerashchenko, said he had not outlined a plan for printing money to the cabinet. But at the same time, the central bank has begun pumping credits into paralyzed Russian banks, and it submitted a report to the cabinet predicting that inflation will zoom in the months ahead.

Many economists have also warned that hyperinflation will follow the printing of new money, and fresh data released Thursday by the State Statistics Committee indicated that inflation was beginning to soar. Prices have jumped 67 percent since last month, it said.

Government officials postponed the deadline for the restructuring of 281 billion rubles ($17.33 billion) worth of defaulted domestic debt until Oct. 2 following negotiations with representatives of foreign banks and Russian banks.

Russia has already defaulted on one interest payment to the Paris Club of creditor nations. The new deputy prime minister for finance, Alexander Shokhin, called the so-called Paris Club arrangements, under which Russia is paying for Soviet-era debt, unfair and said they should be renegotiated.

On other fronts, the central bank said the economy might shrink 5 percent to 6 percent for the year. Russia was near a resumption of growth last year after a long depression.

The Finance Ministry said tax revenue had fallen sharply during the crisis, in part because of the stymied banking system. The government has collected only about 6 billion rubles since Sept. 1, it said, against 10.5 billion rubles in the like period last year.

The government also reportedly was preparing to cancel the privatization of the state oil company Rosneft for the third time. The bidding period had been extended to the end of October.

■ Lehman Blocks Banks' Funds

Lehman Brothers won a court order blocking the British bank accounts of two top Russian banks, Inkombank and Unexim Bank, claiming they had defaulted on more than $110 million in obligations due Sept. 11, Bloomberg News reported from London.

Santander Reverses on Asia Expansion

By Philip Segal
International Herald Tribune

HONG KONG — Just seven months after snapping up what looked like a bargain amid the rubble of the Asian financial crisis, Banco Santander SA changed its mind Thursday as it announced it would cut 300 jobs in the equity and fixed-income areas around the world — including 110 in Asia.

At the end of February, when Asian markets were staging a short-lived rebound, the Spanish banking giant paid $23 million for most of the Asian equity business of Peregrine Investment Holdings Ltd., the Hong Kong-based investment bank that had gone bankrupt the month before. It also hired an additional 130 people.

Santander, among the world's most aggressive financial institutions in seeking to build up a high-quality presence in Asian equities, bought at what it thought were rock-bottom prices.

A spokeswoman, Po-ling Cheung, acknowledged that the bank had underestimated how harsh conditions would become in Asia, where Santander is relatively new in the securities business, and in Latin America, where it has a much larger presence both in securities and banking.

"It was dramatic changes in market conditions that required us to adapt our resources to this environment," she said. After a review, she added, the company decided to keep its corporate finance business in Asia while closing its equity research and sales operations there. About 210 Santander employees in Asia will keep their jobs, including the chief strategist and two economists.

While Asia has proven a much tougher operating environment than Santander expected, the company's massive exposure to Latin America probably led to the cutbacks, employees said. The American credit rating agency Moody's Investors Service Inc. cut its outlook on Santander's debt to "negative" from "stable" last week on concerns that its many investments in Latin America could suffer as a result of deteriorating fundamentals in that region.

After the purchase of Peregrine's equities business, Jose Antonio Diaz, president of Santander's securities subsidiary, said, "We moved quickly to grab the fantastic franchise at a very good price."

Since then, markets from Asia to Russia to Latin America have sunk to new depths as investors have stampeded to the relative safety of stocks and bonds in the United States, Europe and other more developed economies.

Financial giants such as Santander have suffered as what began as an Asian financial crisis has come to threaten the world with deflation and recession.

The company said Thursday that it would focus its resources on Southern Europe and Latin America, "where the Santander franchise in universal banking and retail distribution, as well as its strength in research and execution, will consolidate the group's leadership and profitability."

"Within Asia," Ms. Cheung said, "commercial banking activities will continue and will be strengthened. We still remain committed to this region."

Santander will also retain fixed-income trading operations that it built up on its own and several bond-analysis firms purchased as part of the Peregrine deal.

The cuts will save the company an estimated $15 million, Ms. Cheung said. Santander has spent $3.7 billion since 1994 to expand its investment-banking operations in Latin America and Asia.

After PAL, Can Manila Land Another Airline?

By Mark Landler
New York Times Service

HONG KONG — What happens when a sprawling island country suddenly loses its national airline?

That question reverberated through the Philippines on Thursday after Philippine Airlines ceased flying. The airline, Asia's oldest, shut at midnight Wednesday after the president of the Philippines, Joseph Estrada, failed in a last-ditch effort to resolve a bitter labor dispute.

In the short run, the demise of Philippine Airlines could raise acute transportation problems for the 76 million people of his Asian archipelago, who relied on the airline to hop from island to island. The government and several domestic airlines are scrambling to plug the holes in the air travel network.

In the long run, government officials and airline analysts said, the collapse would be remembered more as a blow to national pride — and to the prestige of Mr. Estrada, for whom the dispute was a major test of leadership.

"In terms of image, we're badly affected," said Roberto Ram Antonio, the Filipino undersecretary of tourism.

NEWS ANALYSIS

"It's the pride of a country to have a flag carrier that represents the Philippines in different markets abroad."

But Philippine Airlines, which is commonly known as PAL, had become a threadbare symbol. It lost $338 million over four years and was staggering under $2.1 billion in debt. After the unions rejected a proposal that would have allowed the airline to slash its costs, its billionaire owner, Lucio Tan, made good on his threat to close the doors.

Mr. Antonio said the government's No. 1 priority now was to reassemble its domestic route network. Philippine Airlines carried 80 percent of domestic traffic until it ran into severe financial trouble last June, when it cut its local destinations to 16 from 36. Analysts warned that the Philippine economy could be crippled if people and cargo could not move around the country.

"You've got a country with 7,000 islands," said Scott Gibson, the head of research at ABN-AMRO in Manila. "You need a well-developed domestic airline."

The government said two smaller domestic airlines, Cebu Pacific Air and Air Philippines, would expand their service to fill the vacuum created by the bankrupt flag carrier. On Thursday, both

See AIRLINE, Page 19

CURRENCY & INTEREST RATES

Cross Rates

Sept. 24

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.8925	3.2046	1.1276	0.3363	0.1141*	—	5.466*	1.361	1.3854*	1.2535	1.3375*
Brussels	34.63	58.48	20.6295	6.1521	2.0846*	18.295	—	24.89	0.2543	22.48	24.29*
Frankfurt	1.683	2.8348	—	0.2982	0.1012*	0.8868	4.8475*	1.2093	1.2279*	1.1143	1.1774*
London (a)	1.692	—	2.8484	9.5261	2,887.50	3.203	58.6892	2.3549	229.7806	2.5542	241.348
Madrid	142.56	240.456	84.933	25.329	8.592*	75.317	4.117	102.598	104.349*	94.429	—
Milan	1,681.00	2,798.00	988.78	294.80	—	876.25	47.92	1,191.30	12.368	1,098.15	11.633
New York	—	1.6975a	1.674	5.614	1,656.80	1.8872	34.43	1.3858	134.93	1.5127	142.48
Paris	5.6283	9.4935	3.3532	—	0.3393*	2.9736	0.1625	4.0506	4.1197*	3.7281	3.948*
Tokyo	136.60	229.97	81.35	24.26	0.823	72.15	3.9634	98.44	—	90.22	0.9581
Toronto	1.5126	2.565	0.9036	0.2694	0.0914*	0.8012	0.4369*	1.0897	1.1208*	—	0.1064*
Zurich	1.3911	2.3543	0.8295	0.2469	0.0838*	0.7344	4.8153*	—	1.0269*	0.9282	0.9757*
1 ECU	1.1684	0.6923	1.9612	6.5762	1,938.55	2.2116	40.4592	1.6235	159.629	1.784	166.569
1 SDR	1.3665	0.8116	2.2999	7.7596	2,267.27	2.5866	47.4648	1.9048	186.886	2.0838	194.834

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York at 4 P.M. and Toronto rates at 3 P.M.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9999	Greek drac.	289.68	Mex. peso	10.04	S. Afr. rand	5.855
Austral. $	1.7197	Hong Kong $	0.1291	N. Zealand $	2.0276	S. Kor. won	1392.
Austr. sch.	11.806	Hung. forint	219.60	Norw. krone	7.478	Swed. krona	7.91
Brazil real	1.1835	Indian rupee	42.51	Phil. peso	43.87	Taiwan $	34.63
Chinese yuan	8.2784	Indo. rupiah	10850.	Polish zloty	3.57	Thai baht	40.67
Czech koruna	30.69	Irish £	0.6726	Port. escudo	172.02	Turkish lira	276415.
Danish krone	6.3877	Israeli shek.	3.8379	Russ. ruble	15.8378	UAE dirham	3.671
Egypt. pound	3.4087	Kuw. dinar	0.3038	Saudi riyal	3.7506	Venez. boliv.	579.50
Fin. markka	5.105	Malay. ring.	3.80	Sing. $	1.7194		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6840	1.6812	1.6787	Japanese yen	136.04	135.40	134.87
Canadian dollar	1.5094	1.5094	1.5094	Swiss franc	1.3849	1.3799	1.3760
Deutsche mark	1.6760	1.6729	1.6707				

Sources: ING Bank (Amsterdam); KBC Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates

Sept. 24

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5½ - 5⅝	3½ - 3⅝	1⅛ - 1¼	7¼ - 7⅜	3½ - 3⅝	⅜ - ½	4⅛ - 4¼
3-month	5⅜ - 5½	3⅜ - 3½	1⅜ - 1½	7¼ - 7⅜	3⅜ - 3½	⅜ - ½	4 - 4⅛
6-month	5⅛ - 5¼	3½ - 3⅝	1⅜ - 1½	7¼ - 7⅜	3⅜ - 3½	¼ - ⅜	3⅝ - 3¾
1-year	5⅛ - 5¼	3⅜ - 3½	1⅜ - 1½	6⅞ - 7	3½ - 3⅝	½ - ⅝	3⅝ - 3¾

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Price	Today / Yield	Prev
Discount rate		5.00	5.00
Prime rate		8½	8½
Federal funds		5⅝	5¾
90-day CDs (deal)		5.35	5.43
180-day CP (deal)		5.05	5.13
ML 30-day R-A		5.01	5.01
3-month T-bill	4.48	4.58	4.68
1-year T-bill	4.33	4.53	4.60
2-year T-note	100-03	4.43	4.57
5-year T-note	103-17	4.43	4.47
7-year T-note	115-28	4.60	4.63
10-year T-note	107-19	4.63	4.67
30-year T-bond	105-04	5.16	5.17

Japan	Close	Prev
Discount rate	0.50	0.50
Call money	0.26	0.26
1-month interbank	0.60	0.60
3-month interbank	0.65	0.65
6-month interbank	0.67	0.67
10-year Govt bond	0.91	0.92

Germany		
Lombard rate	4.50	4.50
Call money	3.46	3.45
1-month interbank	3.47	3.47
3-month interbank	3.49	3.49
6-month interbank	3.57	3.57
10-year Bund	3.93	3.97

Britain		
Bank base rate	7½	7½
Call money	7¼	7⅜
1-month interbank	7⅜	7¼
3-month interbank	7⅜	7⅜
6-month interbank	7⅜	7¼
10-year Gilt	5.06	5.05

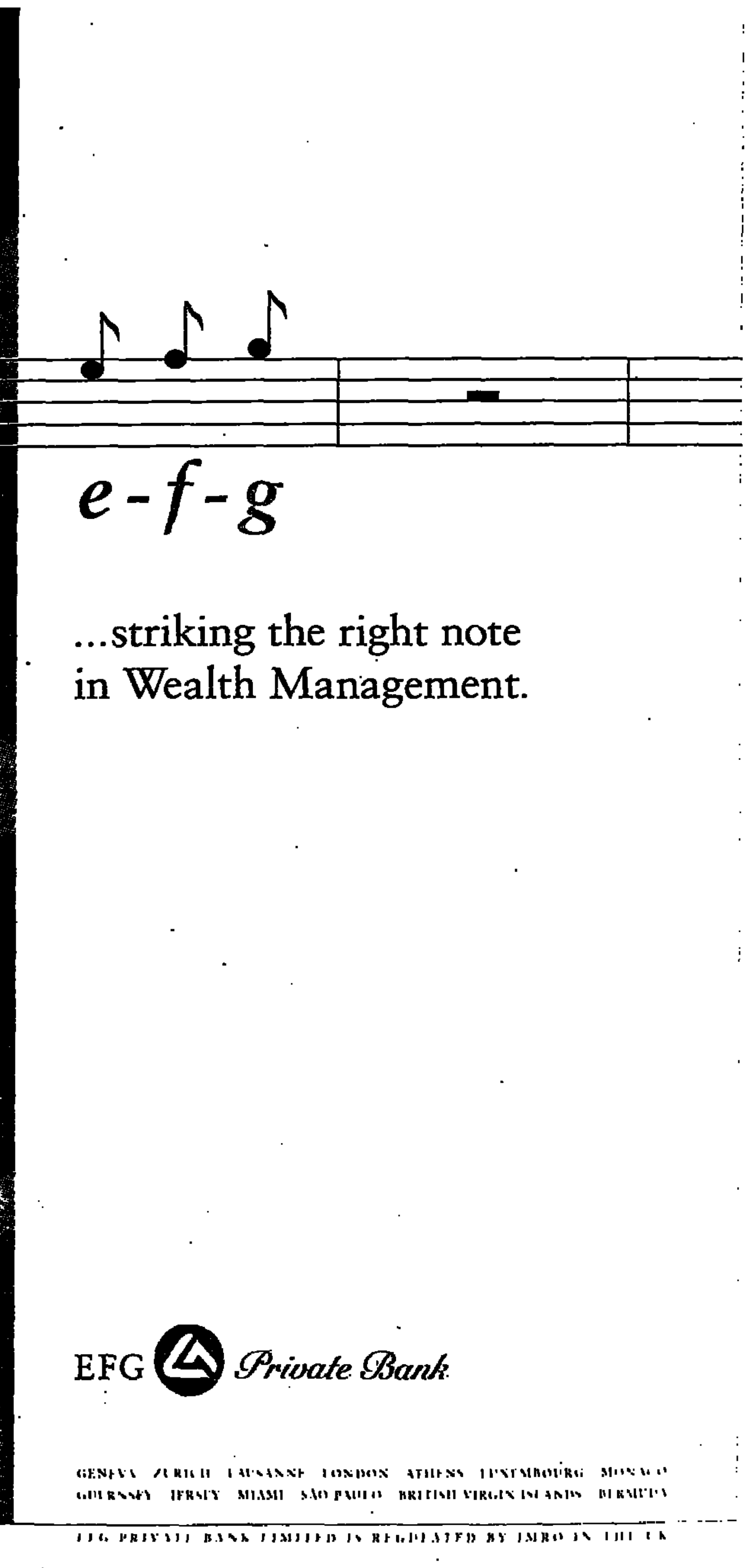
France		
Intervention rate	3.30	3.30
Call money	3¼	3¼
1-month interbank	3⅜	3⅜
3-month interbank	3⅜	3⅜
6-month interbank	3⅜	3½
10-year OAT	4.11	4.13

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

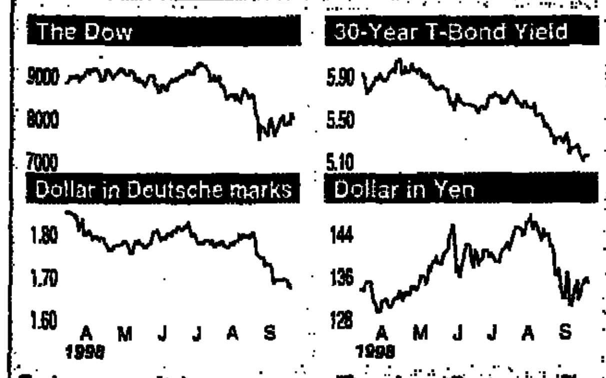
Gold

	A.M.	P.M.	Ch'ge
Zurich	n.a.	293.00	+4.65
London	290.60	292.70	+3.80
New York	292.90	296.40	+3.90

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Dec.)
Source: Reuters.



Investor's America



Exchange	Index	Thursday @4PM	Prev. Close	% Change
U.S.	The Dow	8001.99	8154.41	-1.87
U.S.	S&P 500	1042.72	1066.09	-2.19
U.S.	S&P 100	504.66	515.45	-2.09
U.S.	NYSE Composite	516.59	526.95	-1.97
U.S.	Nasdaq Composite	1720.34	1760.27	-2.27
U.S.	AMEX Composite	642.30	646.08	-0.58
Toronto	TSE Index	5893.00	6015.10	-2.03
São Paulo	Bovespa	6888.48	7280.32	-5.37
Mexico City	Bolsa	3690.48	3902.19	-5.43
Buenos Aires	Merval	383.59	399.13	-3.89
Santiago	IPSA General	3258.89	3283.76	-0.76
Caracas	Capital General	3426.35	3365.29	+1.81

Source: Bloomberg, Reuters — International Herald Tribune

Brazil Bounces Back From Brink, but Recession Looms

By Clifford Krauss
New York Times Service

SAO PAULO — Only two weeks ago, Brazil's stock market was crashing and its banking system was leaking currency reserves at a rate of more than $2 billion a day. Financial collapse or a crushing devaluation looked almost inevitable.

But the panic that throttled this business and finance center has subsided just as suddenly as it emerged as an outgrowth of the currency crisis in Russia. At least temporarily, Brazil's stock market and banking system appear to have stabilized, adding to the evidence that the financial nervousness spreading around the world partly reflects unpredictable flights of mood that can shift from one week to the next.

Brazil is not out of trouble yet. A recession caused by high interest rates looks virtually inevitable in 1999, and the government faces tough choices to reduce a fiscal deficit that represents more than 7 percent of gross domestic product. But the Brazilian stock market has rebounded more than 50 percent since Sept. 10.

Volatility has subsided, with far lower daily trading volumes until Wednesday, when the market shot up almost 11 percent, largely in response to remarks in Washington by Alan Greenspan, the chairman of the Federal Reserve Board, suggesting that he might favor lower interest rates in the United States.

More important, local economists say, is that the volume of capital flight has slowed to a manageable, though still troublesome, $500 million a day. Carlos Kawall Ferreira, Citibank's chief economist in Brazil, said he had been heartened by the deceleration of capital flight.

As the ninth-largest economy in the world and the principal motor of Latin America's economic growth, Brazil in its latest recovery has helped strengthen the Mexican peso, eased fears that Argentina might have to remove its peso from a dollar peg and led a modest rally in most of the region's stock markets.

"Ten days ago we were talking about the end of the world," said Mauro Schneider, vice president for economic research at ING Barings here. "Things could still change overnight, but you don't see investors selling at any price anymore."

Paulo Mallman, finance director of BicBanco, a Brazilian bank, said: "The panic is over. Apparently the crisis has eased a little bit."

Such expressions reflect Brazil's continued vulnerability to events outside its control, such as a potential stock-market plunge in the United States, a collapse of the new government in Russia or a reversal in the improving fortunes of the yen.

But they also seem to suggest that President Fernando Henrique Cardoso, the U.S. government, the International Monetary Fund and other world lending institutions may have weeks or months — rather than days as some once feared — to construct a coordinated rebuilding effort based on new loans and slashing the Brazilian government deficit.

Mr. Cardoso sent mixed signals in recent weeks about whether he would seek an IMF lending package, but in a speech Wednesday he said it was "in the country's interests to carve out" a bailout package. Some say such a package could include contributions of $50 billion from the IMF, the World Bank and other institutions.

The Brazilian crisis peaked Sept. 10 when the stock market plummeted 16 percent in one day. That day and the next, Brazilian and foreign businesses and individuals withdrew a total of $4 billion from Brazilian banks. While the stock market was down 50 percent for the year, the banking system's dollar reserves had fallen from $74 billion to $51 billion over the course of a single month.

Panic set in when not even the government's doubling of interest rates to better than 40 percent stemmed the tide of capital flight.

But the psychology began to change with a speech Sept. 11 by U.S. Treasury Secretary Robert Rubin, which broke weeks of silence from President Bill Clinton's administration that had left investors confused about U.S. policy.

Mr. Rubin said the financial stability and prosperity of Brazil were of "vital importance" to the United States. In the next few days, Mr. Clinton and officials of the IMF and the Group of Seven leading industrial countries said they would stand by Latin America, helping to reverse a growing impression among businesses and investors that capital controls and a steep devaluation of the Brazilian currency were imminent.

After the calming words from abroad, said Bolivar Lamounier, a political consultant to several banks in Brazil, "people sat down and thought through what they were doing." Several people also said that polls showing that Mr. Cardoso would win a landslide election victory Oct. 4, giving him far more political power to deal with the crisis, had helped calm investors.

In addition, the government bolstered its ailing financial accounts last week by completing privatization sales of a state bank and two power companies valued at more than $2 billion.

After the privatizations, ING Barings released a report suggesting that Brazil might be able to speed divestitures, including that of its oil company Petroleo Brasileiro SA, or Petrobras, and the commercial bank Banco do Brasil SA, to raise more capital. The report concluded on a hopeful note, saying, "Despite the financial turmoil, foreign corporations still express great interest in purchasing strategic concerns from the Brazilian government."

Very briefly:

- **Regency Realty** agreed to buy privately owned **Pacific Retail Trust** in a transaction valued at about $2 billion as the shopping-center operator strengthens its position in the Western United States.
- **Morgan Stanley Dean Witter & Co.** posted a 5 percent decline in earnings for the quarter ended Aug. 31 because of disappointing results in the asset-management business; the profit fell to $645 million, which still beat analysts' expectations.
- **Atlantic Richfield Co.**'s chairman warned employees that Arco will fire an unspecified number of workers and cut expenses to avoid being swallowed up by a rival during a time of low oil prices.
- Michael Gallagher, a reporter fired by **The Cincinnati Enquirer** on suspicion of having stolen voice-mail messages for his exposé of the **Chiquita** banana company, pleaded guilty to two felony charges. He faces as much as two and a half years in prison and a $7,500 fine.
- **Virgin Group Ltd.**'s chairman, Richard Branson, said he wanted to start an airline in the United States to try to pressure on regulators to change 72-year-old laws on international ownership of U.S. airlines. *Bloomberg, Reuters*

Hedge Fund's Problems Send Stocks Lower

Bloomberg News

NEW YORK — U.S. stocks fell Thursday after the near-collapse of the hedge fund Long-Term Capital Management raised concern about the health of the financial system.

The Dow Jones industrial average fell 152.42 points to 8,001.99 in late trading. The Standard & Poor's 500 index dropped 23.37 points to 1,042.72, and the Nasdaq composite fell 39.93 points to 1,720.34. Declining issues outnumbered advancing ones by a 2-to-1 ratio.

U.S. STOCKS

"There's a credit crisis going on around the world, and it was brought home to us in spades by the bailout," said Henry Cavanna, a managing director and money manager at J.P. Morgan Investment Management. "All the major banks and brokerages have exposure" to Long-Term Capital Management, he said. "We're not out of the woods yet."

The decline in financial stocks was spurred by an announcement by UBS, the Swiss banking company, that it expected to report a quarterly loss because of losses in emerging markets and its exposure to Long-Term Capital.

J.P. Morgan fell 6⅛ to 87. Chase Manhattan fell 3 9/16 to 46 9/16, Citicorp lost 6¾ to 98¾, and NationsBank fell 4¾ to 54.

Financial-services companies also slumped. Travelers Group fell 2 15/16 to 40, and American Express slid 4⅜ to 79 1/16.

Stocks were also hurt by the belief that slowing economies were hurting corporate profits. Coca-Cola fell 1⅜ to 56⅜ on expectations that it would tell analysts Friday it was cutting earnings estimates.

"Coke underscores the whole problem" of U.S. companies struggling to keep earnings growing amid Asian recessions and slow Latin American markets, said Larry Wachtel at Prudential Securities.

Analysts expect year-over-year operating earnings of companies in the S&P 500 to shrink 1.2 percent in the third quarter, according to a survey by First Call. A year earlier, the companies' third-quarter operating profits rose 11.8 percent.

Baker Hughes, a major oil-field services company, dropped 2¼ to 21½. It warned that third-quarter operating earnings would be about half of what analysts have expected because lower oil prices had cut demand for drilling products.

With stocks falling, investors moved into the safety of Treasury bonds, driving up the price of the 30-year issue by 4/32 point to 105 5/32. The yield fell to 5.16 percent from 5.17 percent.

Prospect of Fund's Yen Loans Sinks Dollar

Bloomberg News

NEW YORK — The dollar fell Thursday against the yen on concern that the troubled hedge fund Long-Term Capital Management LP may have to sell dollars and buy back yen to help cover billions of dollars in losses.

Traders speculated that the American fund had borrowed yen at Japan's low lending rates, then converted them into dollars to invest in securities elsewhere.

Even though the fund received a $3.5 billion bailout from lenders, traders worried that it would have to pay back its yen loans. The dollar dropped to 134.93 yen in 4 P.M. trading from 135.835 yen Wednesday, its first decline in five days.

FOREIGN EXCHANGE

The dollar eased against the Deutsche mark, falling to 1.6740 DM from 1.6781 DM, after suggestions from Alan Greenspan, chairman of the Federal Reserve Board, that the central bank may cut interest rates amid signs of slowdown in the U.S. economy.

"The possibility of lower U.S. interest rates, slower growth and slower consumption," said Lisa Finstrom of Salomon Smith Barney Inc., "is weighing on the dollar in contrast to Europe."

Lower rates weaken the dollar by diminishing the return on dollar-denominated deposits and bonds.

Against other currencies, the dollar fell to 1.3858 Swiss francs from 1.3895 francs and to 5.6140 French francs from 5.6290 francs. The pound rose to $1.6975 from $1.6849.

Microsoft Sights Set on Elsevier?

The Associated Press

AMSTERDAM — Microsoft Corp. and the Anglo-Dutch publisher Reed Elsevier PLC are in talks on a deal that could include a takeover bid by the software giant, Dow Jones Newswires reported Thursday.

Dow Jones cited an unnamed source at Reed Elsevier. The report came after speculation about a possible bid triggered a rise in Reed Elsevier's stock early this week. Market watchers believe the company may be looking for a partner after its merger plans with the Dutch publisher Wolters Kluwer NV fell through earlier this year.

A spokesman at Microsoft's headquarters in Redmond, Washington, said the company did not comment on rumors.

"We are aware of the rumors which have moved the shares in recent days and we don't have any comment whatsoever," Fokko Covers, head of Elsevier's European financial affairs, told Dow Jones Newswires.

The Trib Index

Prices as of 4:00 P.M. New York time.

Jan. 1, 1992 = 100	Level	Change	% change	year to date % change
World Index	171.69	−1.60	−0.92	−0.24
Regional Indexes				
Asia/Pacific	71.56	+2.72	+3.95	−25.51
Europe	204.16	−1.73	−0.84	+5.76
N. America	237.36	−4.74	−1.96	+9.89
S. America	78.58	−4.57	−5.50	−48.53
Industrial Indexes				
Capital goods	235.72	−4.04	−1.69	+14.11
Consumer goods	213.66	−0.27	−0.13	+1.87
Energy	194.35	−4.09	−2.06	−0.31
Finance	110.89	−1.44	−1.28	−9.82
Miscellaneous	148.03	+3.93	+2.73	−1.23
Raw Materials	161.77	−0.84	−0.52	−3.27
Service	185.01	−1.82	−0.97	+6.14
Utilities	163.98	−0.31	−0.19	−1.73

The International Herald Tribune World Stock Index © tracks the U.S. dollar value of 280 internationally investable stocks from 25 countries.
Compiled by Bloomberg News.

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AMEX

Thursday's 4 P.M. Close

The 200 most traded stocks of the day, up to the closing on Wall Street.
The Associated Press

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	8152.35	8182.47	7936.08	8001.99	-152.42
Trans	2904.33	2904.33	2820.12	2831.24	-72.86
Util	302.92	303.73	296.18	298.72	-4.26
Comp	2617.51	2622.36	2548.50	2567.01	-50.60

Standard & Poors

	High (Previous)	Low (Previous)	Close (Previous)	Today 4 P.M.
Industrials	1266.39	1224.89	1266.37	1242.84
Transp.	634.78	621.81	634.78	619.74
Utilities	253.28	248.96	253.27	249.71
Finance	116.90	111.51	116.90	112.27
SP 500	1066.09	1029.63	1066.09	1042.72
SP 100	515.45	497.66	515.45	504.66

NYSE

	High	Low	Last	Chg.
Composite	526.95	513.45	516.59	-10.36
Industrials	652.27	635.54	640.64	-11.58
Transp.	428.36	418.44	420.37	-7.99
Utility	387.89	379.58	382.57	-4.88
Finance	479.08	461.37	464.48	-14.60

Nasdaq

	High	Low	Last	Chg.
Composite	1768.04	1713.78	1720.34	-39.93
Industrials	1082.18	1059.96	1060.55	-17.78
Banks	1771.42	1726.18	1732.65	-28.76
Insurance	1565.50	1536.30	1536.75	-26.57
Finance	2273.17	2218.50	2226.67	-45.74
Transp.	872.42	855.31	856.95	-13.15

AMEX

High	Low	Last	Chg.
647.60	639.88	642.30	-3.78

Dow Jones Bond

	Close	Chg.
20 Bonds	106.08	+0.16
10 Utilities	103.71	+0.17
10 Industrials	108.45	+0.16

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
Compaq s	155555	33¼	32⅛	32½	-⅞
Travelers s	144384	42⅝	39¾	40¼	-2⅝
AmOnline s	96763	120¾	110¼	113⅞	-2⅞
NatnsBk	91938	58¾	53¾	54⅛	-4⅝
Citicorp	83056	105¾	98	99¾	-5¾
BankAm	81446	65¾	59⅝	60⅛	-5⅝
ChaseM s	76630	50⅛	45½	46½	-3⅜
MerrLyn	70525	58¾	53⅝	53⅝	-4½
GenElec	69704	83⅝	80⅝	81⅞	-2⅜
Brahma	68675	8⅝	8¼	8¼	-¼
MSDWitt	66630	57⅞	50⅝	51⅞	-5⅝
CocaCl	65903	58¼	55⅝	56⅜	-1⅜
Lucent s	64363	78⅝	75½	76⅝	-1⅝
Disney s	60841	27⅛	25⅝	26	-⅝
HomeDp	58145	44	41½	42⅝	-2⅛

Nasdaq

	Vol.	High	Low	Last	Chg.
DellCptr s	380550	66	61⅝	63⅝	-1⅝
Excite s	219113	45⅝	37¾	39⅝	+1⅝
MCI Wrld	158950	50⅞	48⅜	48⅝	-2⅝
Intel	151136	88⅜	84⅛	85⅞	-1⅜
Microsft s	150748	114⅜	109	110⅝	-3⅝
Yahoo	147845	125⅝	112⅝	115⅜	-2⅝
Cisco s	132079	66⅞	64½	64⅝	-1⅝
3Com	95702	31⅞	29¾	30½	-1⅝
eBayInc n	90082	54⅛	44⅛	47⅛	—
Amazon s	84934	116⅝	101	102⅝	-3⅝
SunMic	83733	51⅝	49⅝	50	+⅝
Lycos s	81837	37⅞	32	33¾	+½
Oracle	79167	28⅝	28	28⅝	-⅝
ClearCp	64893	14⅝	13⅝	13⅝	-1
Peopsft s	63647	34⅝	31⅝	31¾	-2⅝

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	107580	106⅝	103⅝	104⅝	-2⅝
ViacB	28807	66⅝	63⅝	64⅝	-1⅝
GeriCr	17737	2⅝	2	2⅛	-⅛
EchoBay	11941	2⅝	2⅝	2⅝	+⅛
RoyalO g	9334	¾	⅝	¾	—
Hasbro	9091	6⅝	5⅝	5⅝	-⅝
GreyWolf	8876	1⅝	1½	1½	-⅛
TWA	8344	6	5⅝	5⅝	-⅛
AMC	7394	13⅝	12⅝	13	-⅝
BemaGold	7240	1⅝	1⅝	1⅝	+⅛

Trading Activity

NYSE

	Close	Prev.
Advanced	1089	2327
Declined	2042	800
Unchanged	413	371
Total issues	3544	3548
New Highs	43	42
New Lows	137	117

Nasdaq

	Close	Prev.
Advanced	1575	2644
Declined	1936	1401
Unchanged	1528	1454
Total issues	5039	5499
New Highs	27	44
New Lows	129	148

AMEX

	Close	Prev.
Advanced	256	376
Declined	309	216
Unchanged	150	133
Total issues	715	725
New Highs	3	2
New Lows	29	36

Market Sales

	Today 4:00	Prev. cons.
NYSE	804.18	1,062.98
Amex	37.19	46.93
Nasdaq	776.58	932.78

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Cristalerias Chile	b	.1331	9-30	—
FstCity Liquid B	_	2.00	10-1	10-15
WMC Ltd ADR	b	.1644	9-30	10-30
Waterford Wedge	b	.0661	10-16	12-15
Wright Quality	_	.02	9-23	9-28
STOCK SPLIT				
Swiss Helvetia 2 for 1 split.				
REVERSE STOCK SPLIT				
Firelector Inc 1 for 3reverse split.				
Loehmanns Inc 1 pf right for each share of common held; pay date unannounced.				
MedtForce 1 for 40 reverse split effective Sept 24.				
INCREASED				
CLARCOR Inc	Q	.1125	10-16	10-30
ConAgra Inc	Q	.1785	11-6	12-1
Monmouth REst	Q	.1375	11-16	12-15
OMITTED				
Chesapeake Engy	-			
INITIAL				
Highlands Insitt n	-	.10	10-9	10-20
REGULAR				
ACM Gov Opport	M	.075	10-2	10-16
Alliance Wld Dlr IL	M	.11	10-2	10-16
Avalon Bay	Q	.51	9-30	10-15
Connect Intertech	Q	.15	12-1	12-15
Conectiv	Q	.385	10-12	10-31
Conectiv A	Q	.20	10-12	10-31
Crazy Woman	Q	.10	10-2	10-16
Gen Grwth Prop	Q	.47	10-5	10-30
Genesee Corp B	Q	.35	9-28	10-1
Gt Lakes Chem	Q	.08	10-5	11-3
GulfCdaRes ad	Q	.025	9-30	10-13
Inland Steel	Q	.05	10-8	11-1
Magna Intl A g	Q	.33	9-30	10-15
Masco Corp	Q	.11	10-16	11-9
Montgomery Fincl	Q	.055	9-30	10-15
Natl Penn	Q	.19	10-31	11-17
Nipsco Indust	Q	.24	10-30	11-20
Ocius Natur Gas g	M	.1917	10-5	10-15
Pioneer Std El	Q	.03	10-7	11-1
Raytheon Co A&B	Q	.20	10-2	10-30
Roberts Rlty	Q	.145	9-30	10-15
Stratton Monthly		.16	9-30	10-8
Toro Co	Q	.12	10-5	10-19
Union Ntl Bncp	Q	.11	9-23	9-30
Washington Gas	Q	.30	10-12	11-1

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annually.

U.S. Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99. cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Sept. 24, 1998

	High	Low	Latest	Chge	Opint
Grains					
CORN (CBOT) 5,000 bu minimum- cents per bushel					
Dec 98	208¾	204½	208½	+3	180,989
Mar 99	221½	217½	221	+2½	64,356
May 99	228¾	225½	228¼	+2¼	24,446
Jul 99	235	231½	234¾	+2¾	35,120
Sep 99	240½	238¾	240	+2½	5,777
Dec 99	249	246¾	248½	+2¼	15,569
Mar 00	258½	256	258½	+1	1
Est. sales 34,000 Wed's sales 34,457. Wed's open int 326,702, up 610					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Oct 98	127.80	126.40	127.70	+1.30	21,789
Dec 98	132.70	131.00	132.40	+1.20	68,960
Jan 99	135.00	133.30	134.90	+1.40	16,142
Mar 99	139.30	137.80	139.30	+1.10	15,121
May 99	143.40	142.00	143.30	+1.40	7,976
Jul 99	148.20	146.90	148.00	+1.20	8,199
Est. sales 15,000 Wed's sales 22,031. Wed's open int 142,938, up 2,496					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
Oct 98	25.20	24.97	24.99	+0.02	21,402
Dec 98	25.42	25.18	25.23	+0.02	49,443
Jan 99	25.50	25.23	25.30	Ounch.	12,007
Mar 99	25.40	25.17	25.22	+0.02	16,600
May 99			25.15	+0.07	8,289
Jul 99	25.20	25.05	25.17	+0.07	8,599
Est. sales 22,000 Wed's sales 23,393. Wed's open int 119,012, up 595					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
Nov 98	533	526¼	531	+4¼	91,852
Jan 99	543	537½	540½	+3¼	25,937
Mar 99	553	549	551	+3¼	20,090
May 99	562¾	558	560¼	+4	8,053
Jul 99	570	567	568½	+4	11,793
Est. sales 43,000 Wed's sales 37,846. Wed's open int 162,019, up 1,167					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
Dec 98	280	273¼	278¾	+4½	84,478
Mar 99	294¾	288	293¾	+4½	28,058
May 99			302¾	+2¾	5,094
Jul 99	313½	307	312¾	+3½	11,649
Est. sales 20,000 Wed's sales 23,825. Wed's open int 130,100, off 74					
Livestock					
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Oct 98	60.90	60.45	60.87	-0.10	30,690
Dec 98	63.15	62.57	63.10	Ounch.	34,169
Feb 99	64.00	63.50	63.97	+0.22	17,030
Apr 99	65.55	65.05	65.52	+0.25	8,247
Jun 99	62.75	62.10	62.70	+0.28	6,677
Aug 99	62.52	62.20	62.50	+0.10	2,071
Est. sales 19,463 Wed's sales 17,102. Wed's open int 99,007, up 1,319					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Sep 98	68.27	68.17	68.20	-0.18	1,684
Oct 98	69.50	68.70	69.40	-0.07	5,988
Nov 98	70.85	70.15	70.82	-0.15	4,032
Jan 99	71.80	71.10	71.70	-0.10	2,216
Mar 99	71.70	71.05	71.70	+0.05	774
Apr 99	71.50	71.10	71.50	-0.25	376
Est. sales 2,045 Wed's sales 2,991. Wed's open int 15,493, off 175					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Oct 98	42.10	41.25	41.95	+0.33	10,330
Dec 98	40.25	39.50	39.85	-0.22	13,447
Feb 99	44.15	43.65	43.87	-0.18	6,210
Apr 99	46.00	45.60	45.62	-0.38	1,882
Jun 99	54.75	54.40	54.42	-0.30	1,662
Est. sales 9,166 Wed's sales 7,243. Wed's open int 34,753, up 158					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Feb 99	49.50	47.00	49.20	+1.45	2,835
Mar 99	48.90	46.90	48.75	+0.88	232
May 99	49.98	48.00	49.90	+1.50	24
Est. sales 1,793 Wed's sales 851. Wed's open int 3,124, off 41					
Food					
COCOA (NCSE) 10 metric tons- $ per ton					
Dec 98	1548	1516	1527	-6	33,582
Mar 99	1585	1539	1566	-5	21,235
May 99	1608	1588	1592	-5	6,420
Jul 99	1641	1615	1619	-5	1,978
Sep 99			1645	-4	1,706
Dec 99			1673	-3	4,901
Est. sales 4,851 Wed's sales 4,342. Wed's open int 73,656, off 346					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Dec 98	105.00	102.40	104.00	+0.95	18,692
Mar 99	103.30	101.80	102.85	+0.70	7,742
May 99	104.50	103.00	103.85	+1.10	2,428
Jul 99	105.00	104.25	105.00	+1.50	1,549
Sep 99	106.20	105.75	106.20	+1.20	1,427
Est. sales 5,372 Wed's sales 8,076. Wed's open int 33,324, up 912					
SUGARWORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Oct 98	7.17	6.97	6.98	-0.12	31,112
Mar 99	7.55	7.38	7.39	-0.05	85,668
May 99	7.60	7.48	7.50	+0.02	15,077
Jul 99	7.69	7.60	7.61	Ounch.	9,332
Est. sales 15,746 Wed's sales 51,245. Wed's open int 158,401, up 3,031					

	High	Low	Latest	Chge	Opint
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Nov 98	105.25	102.20	103.40	-1.35	15,463
Jan 99	107.90	105.00	106.45	-1.25	7,064
Mar 99	110.50	108.25	109.35	-1.20	4,382
May 99	111.55	111.50	111.55	-1.40	976
Est. sales N.A. Wed's sales 2,034. Wed's open int 28,461, off 90					
Metals					
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Sep 98	293.80	287.20	293.80	+4.20	7
Oct 98	294.70	290.50	292.90	+4.20	8,917
Nov 98			295.10	+4.00	
Dec 98	297.40	292.20	296.40	+3.90	79,732
Feb 99	299.00	295.00	298.10	+3.80	17,107
Apr 99	300.50	297.50	299.80	+3.70	11,503
Jun 99	302.30	300.60	301.50	+3.70	14,814
Aug 99			303.10	+3.70	4,723
Oct 99			304.60	+3.60	808
Est. sales 68,000 Wed's sales 23,824. Wed's open int 174,219, off 486					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Sep 98	75.80	74.60	75.35	-0.15	1,874
Oct 98	75.05	74.55	74.90	Ounch.	3,402
Nov 98	75.05	74.70	75.05	+0.05	1,966
Dec 98	75.40	74.10	75.15	+0.10	30,095
Jan 99			75.25	+0.05	2,101
Feb 99			75.40	+0.05	1,214
Mar 99	75.80	75.10	75.70	+0.05	5,307
Apr 99			75.80	+0.05	1,128
May 99	76.20	75.50	76.00	Ounch.	2,859
Est. sales 8,000 Wed's sales 8,074. Wed's open int 60,098, off 387					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Sep 98	511.30	500.00	511.30	+11.10	363
Oct 98			512.00	+11.00	1
Nov 98			513.80	+11.00	
Dec 98	517.50	502.50	515.30	+11.00	53,753
Jan 99	517.50	510.00	517.50	+11.00	53
Mar 99	520.00	509.00	519.10	+10.90	10,400
May 99			521.70	+10.90	1,784
Jul 99	524.10	513.50	524.10	+10.90	2,907
Est. sales 20,000 Wed's sales 18,273. Wed's open int 75,800, up 906					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Oct 98	362.40	355.50	360.90	+5.40	8,409
Jan 99	361.80	357.00	360.10	+4.40	3,191
Apr 99			361.10	+4.40	150
Jul 99			362.10	+4.40	31
Oct 99			363.60	+4.40	430
Est. sales N.A. Wed's sales 1,796. Wed's open int 12,211, off 119					

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1307.00	1308.00	1299.00	1299½
Forward	1337½	1338.00	1332.00	1332½
Copper Cathodes (High Grade)				
Spot	1630.00	1631.00	1620.00	1621.00
Forward	1649.00	1650.00	1642.00	1643.00
Lead				
Spot	515½	516½	513.00	514.00
Forward	530.00	531.00	528.00	529.00
Nickel				
Spot	4060.00	4070.00	4075.00	4080
Forward	4130.00	4135.00	4145.00	4150
Tin				
Spot	5425.00	5435.00	5470.00	5475.00
Forward	5365.00	5370.00	5395.00	5405.00
Zinc (Special High Grade)				
Spot	983½	984½	977½	978.00
Forward	1007.00	1008.00	1002½	1003.00

	High	Low	Close	Chge	Op int
Financial					
US T BILLS (CMER) $1 million- pts of 100 pct.					
Dec 98	95.83	95.77	95.83	+0.09	1,411
Mar 99	96.08	96.07	96.08	+0.11	143
Est. sales 193 Wed's sales 169. Wed's open int 1,576, off 11					
5 YR TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Dec 98	114-18	113-52	114-17	+20	359,768
Mar 99			114-27	+18	206
Est. sales 88,000 Wed's sales 69,092. Wed's open int 363,908, up 2,276					
10 YR TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Dec 98	120-08	119-18	120-07	+13	494,764
Mar 99	120-13	120-00	120-13	+13	10,764
Est. sales 125,000 Wed's sales 123,959. Wed's open int 515,420, up 3,925					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Dec 98	129-24	128-31	129-23	+07	717,860
Mar 99	129-13	128-21	129-12	+07	72,168
Jun 99	128-26	128-20	128-26	+06	599
Sep 99			128-10	+06	4,027
Est. sales 400,000 Wed's sales 474,549. Wed's open int 805,185, up 10,538					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Sep 98	114.32	114.31	114.35	−0.06	4,545
Dec 98	115.00	114.45	114.61	−0.05	149,264
Est. sales: 52,458. Prev. sales: 49,886. Prev. open int.: 153,809 off 381					
GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct					
Dec 98	N.A.	N.A.	113.64	Unch.	5,245
Est. sales: n.a. Prev. sales: 7. Prev. open int.: 5,245 up 276					

	High	Low	Latest	Chge	Opint
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Dec 98	110.33	109.72	110.03	+0.18	107,761
Est. sales: 121,171. Open Int.: 107,761 off 789					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Dec 98	N.A.	N.A.	111.16	+0.09	86,614
Est. sales: n.a. Prev. sales: 25,059. Prev. open int.: 86,614 off 597					
LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.					
Oct 98	94.74	94.64	94.73	+0.07	16,482
Nov 98	94.86	94.78	94.85	+0.07	11,703
Dec 98	94.76	94.69	94.76	+0.08	6,109
Est. sales 5,296 Wed's sales 7,007. Wed's open int 35,824, up 1,336					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Oct 98	94.78	94.70	94.77	+0.07	43,152
Nov 98	94.87	94.81	94.87	+0.09	8,196
Dec 98	94.98	94.86	94.96	+0.08	405,035
Jan 99	95.13	95.10	95.12	+0.08	2,351
Feb 99			95.18	+0.10	797
Mar 99	95.26	95.15	95.26	+0.08	480,196
Jun 99	95.35	95.23	95.34	+0.09	402,925
Sep 99	95.36	95.24	95.35	+0.09	298,281
Dec 99	95.22	95.10	95.21	+0.09	274,908
Mar 00	95.27	95.15	95.27	+0.09	220,472
Jun 00	95.21	95.10	95.20	+0.09	154,013
Sep 00	95.13	95.01	95.12	+0.09	118,761
Est. sales 720,376 Wed's sales 679,873. Wed's open int 3,245,737, up 33,111					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Dec 98	1.6934	1.6712	1.6888	+0.0094	51,167
Mar 99	1.6828	1.6730	1.6818	+0.0094	43
Jun 99			1.4752	+0.0094	204
Est. sales 10,798 Wed's sales 5,555. Wed's open int 51,415, off 26					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Dec 98	.6625	.6583	.6608	+0.0017	48,967
Mar 99	.6632	.6605	.6609	+0.0017	2,147
Jun 99	.6625	.6610	.6610	+0.0017	959
Est. sales 10,988 Wed's sales 8,183. Wed's open int 52,386, up 805					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Dec 98	.6012	.5960	.5992	+0.0004	150,750
Mar 99	.6028	.6012	.6014	+0.0004	199
Jun 99			.6035	+0.0004	148
Est. sales 27,325 Wed's sales 25,178. Wed's open int 151,099, up 2,323					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Dec 98	.7515	.7371	.7485	+0.0026	74,507
Mar 99	.7602	.7500	.7581	+0.0026	2,113
Jun 99			.7671	+0.0026	1,125
Est. sales 28,329 Wed's sales 22,895. Wed's open int 77,745, off 149					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Dec 98	.7292	.7216	.7266	-0.0003	61,244
Mar 99	.7334	.7328	.7328	-0.0004	124
Jun 99			.7386	-0.0005	1
Est. sales 15,872 Wed's sales 18,891. Wed's open int 61,369, up 733					
MEXICAN PESO (CMER) 500,000 pesos, $ per peso					
Dec 98	.09450	.09145	.09170	-.00077	18,760
Mar 99	.08780	.08570	.08570	-.00082	6,695
Jun 99	.08260	.08090	.08090	-.00095	2,446
Est. sales 4,169 Wed's sales 3,850. Wed's open int 28,682, off 507					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Dec 98	93.050	93.018	93.050	+0.070	187,529
Mar 99	93.480	93.420	93.470	+0.080	162,227
Jun 99	93.780	93.720	93.770	+0.080	149,361
Sep 99	93.900	93.850	93.890	+0.070	116,299
Dec 99	93.910	93.870	93.910	+0.080	143,923
Mar 00	94.010	93.970	94.010	+0.080	108,677
Jun 00	94.020	93.970	94.020	+0.080	86,720
Sep 00	94.020	93.970	94.020	+0.080	54,709
Dec 00	94.010	93.960	94.010	+0.070	32,723
Est. sales: 160,640. Prev. sales: 140,809. Prev. open int.: 1,083,440 up 8,553					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Oct 98	96.465	96.465	96.465	+0.010	15,718
Dec 98	96.440	96.410	96.425	+0.025	543,407
Mar 99	96.525	96.495	96.515	+0.035	488,773
Jun 99	96.515	96.485	96.505	+0.050	298,599
Sep 99	96.500	96.460	96.490	+0.060	217,457
Dec 99	96.385	96.335	96.375	+0.065	202,455
Mar 00	96.415	96.365	96.405	+0.075	184,508
Jun 00	96.340	96.285	96.330	+0.070	122,403
Sep 00	96.265	96.210	96.255	+0.075	85,065
Dec 00	96.165	96.100	96.150	+0.075	26,761
Mar 01	96.150	96.080	96.130	+0.075	37,668
Est. sales: 240,983. Prev. sales: 182,010. Prev. open int.: 2,259,278 off 12,359					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Dec 98	96.44	96.42	96.43	+0.03	76,413
Mar 99	96.51	96.46	96.50	+0.03	56,116
Jun 99	96.50	96.47	96.49	+0.05	21,273
Sep 99	96.48	96.46	96.48	+0.06	16,019
Dec 99	96.35	96.33	96.36	+0.06	12,373
Mar 00	96.40	96.34	96.39	+0.07	6,909
Jun 00	96.30	96.30	96.32	+0.07	3,510
Est. sales: 16,086. Open Int.: 195,485 off 940					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Dec 98	96.260	96.210	96.240	+0.050	159,403
Mar 99	96.490	96.460	96.480	+0.030	261,72
Jun 99	96.480	96.450	96.470	+0.040	66,18
Sep 99	96.470	96.430	96.470	+0.080	40,97
Dec 99	96.350	96.300	96.340	+0.100	44,67
Mar 00	96.370	96.320	96.355	+0.085	38,63
Est. sales. 61,617 Prev. sales: 43,518. Prev. open int.: 60,690 up 1,678					
Industrials					
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Oct 98	74.00	1.80	71.88	-2.13	327
Dec 98	75.79	3.80	74.44	-1.63	40,348
Mar 99	74.90	2.20	73.75	-1.30	21,362
May 99	74.30	7.40	73.70	-1.00	10,287
Jul 99	74.30	7.50	73.55	-1.05	6,782
Est. sales N.A. Wed sales 8,802. Wed's open int 88,28, up 571					
HEATING OIL (NMER) 42,000 gal, cents per gal					
Oct 98	43.00	41.50	42.39	+0.48	25,515
Nov 98	44.30	42.1	43.74	+0.57	40,171
Dec 98	45.40	43.5	44.84	+0.57	26,463
Jan 99	46.30	44.5	45.74	+0.62	24,608
Feb 99			46.34	+0.57	18,958
Mar 99	47.15	45.3	46.49	+0.52	16,595
Apr 99	46.80	46.7	46.39	+0.47	6,871
Est. sales N.A. Wed's sales 33,919. Wed's open int 191,05 up 164					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bl.					
Nov 98	16.20	15.6	15.98	+0.17	125,762
Dec 98	16.34	15.7	16.13	+0.18	79,978
Jan 99	16.42	15.9	16.23	+0.18	42,961
Feb 99	16.48	16.0	16.34	+0.18	20,554
Mar 99	16.58	16.1	16.44	+0.18	19,016
Apr 99	16.68	16.2	16.54	+0.18	11,995
Est. sales N.A. Wed's sales 136,369. Wed's open int 480,507, up 9,226					
NATURAL GAS (NME) 10,000 mm btu's, $ per mm btu					
Oct 98	2.230	2.110	2.185	+0.054	38,941
Nov 98	2.470	2.340	2.420	+0.046	38,048
Dec 98	2.640	2.550	2.610	+0.039	32,826
Jan 99	2.690	2.610	2.650	+0.031	30,576
Feb 99	2.550	2.495	2.520	+0.025	20,953
Mar 99	2.385	2.335	2.360	+0.018	19,300
Est. sales N.A. Wed's sales 67,254. Wed's open int 277,993, up 2,577					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
Oct 98	46.45	45.10	5.83	+0.10	20,355
Nov 98	46.55	45.30	5.99	+0.26	30,348
Dec 98	46.95	45.82	.45	+0.30	9,062
Jan 99	47.40	46.60	.70	+0.32	4,680
Feb 99	47.90	47.40	.83	+0.33	3,421
Mar 99	49.00	48.68	.68	+0.30	2,736
Apr 99			.63	+0.30	5,438
May 99	52.13	51.85	.33	+0.30	4,216
Est. sales N.A. Wed's sales 2,869. Wed's open int 86,081, up 7					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Oct 98	129.00	126.50	[illegible]	+0.75	31,614
Nov 98	131.75	129.50	[illegible]	+0.75	23,300
Dec 98	134.75	131.75	[illegible]	+1.25	18,899
Jan 99	137.00	134.00	[illegible]	+1.00	16,563
Feb 99	139.00	136.75	[illegible]	+0.75	13,597
Mar 99	140.00	137.75	[illegible]	+1.00	7,988
Est. sales: 13,000. Prev. sales: 21,080. Prev. open int.: 164,538 off 3[illegible]					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Nov 98	14.90	14.31	[illegible]	+0.16	78,473
Dec 98	15.08	14.50	[illegible]	+0.19	53,471
Jan 99	15.15	14.61	[illegible]	+0.21	37,609
Feb 99	15.21	14.72	15.0	+0.22	17,538
Mar 99	15.30	14.80	15.1	+0.22	12,77[illegible]
Apr 99	15.44	15.16	15.2	+0.22	8,3[illegible]
May 99	15.50	15.47	15.3	+0.22	6,2[illegible]
Est. sales: 55,000. Prev. sales: 45,720. Prev. open int.: 258,508 off 1,37[illegible]					
Stock Indexes					
SP COMP INDEX (CMER) 250 x index					
Dec 98	1080.40	1041.00	1051.20	-6.50	384,512
Mar 99	1085.00	1051.50	1061.00	-6.80	6,724
Est. sales N.A. Wed's sales 114,5[illegible]. Wed's open int 394,037, up 5,218					
FTSE 100 (LIFFE) £25 per index point					
Dec 98	5395.0	5723.0	5730.0	-0.0	206,262
Est. sales: 34,899 Prev. sales 2,96[illegible]. Prev. open int.: 208,205 up 2,87[illegible]					
CAC-40 (MATIF) FF200 per index point					
Sep 98	3555.0	3380.0	3388.0	-0	182,727
Oct 98	3555.0	3380.0	3397.0	-5	33,117
Nov 98	N.T.	N.T.	3406.5	-5	300
Dec 98	3566.0	3407.0	3415.0	-0	53,454
Mar 99	N.T.	N.T.	3442.0	-0	29,464
Est. sales 158,777. Open Int.: 336,427 up 5,438					

Commodity Indexes

	Close	Previous
Moody's	1,196.70	[illegible]203.30
Reuters	1,475.00	[illegible]474.50
D.J. Futures	122.34	121.80
CRB/Bridge Futures	203.98	202.89

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

Asia Cited as [illegible]

Fraud Inquiry Tar[illegible]

WORLD STOCK MARKE[illegible]
Thursday, Sept. 24
Hong Kong
Istanbul
Jakarta
Market
Kuala Lump[illegible]

هكذا من الأصل

EUROPE

Asia Cited as 3 Luxury and Spirits Firms Sag

Compiled by Our Staff From Dispatches

PARIS — Three European providers of luxury goods and spirits — LVMH Moet Hennessy Louis Vuitton SA, Gucci Group NV and Diageo PLC — reported falling profits Thursday because of the spreading recession in Asia, which curbed consumers' appetites for high-priced imports.

Gucci, the Italian fashion company, posted a 7.6 percent drop in second-quarter profit, while LVMH, the French owner of brands such as Louis Vuitton luggage and Dom Perignon champagne, said first-half net income fell 6.4 percent.

Diageo of Britain, the world's largest spirits maker, said profit fell 4.5 percent, to £1.26 billion ($2.13 billion). It was the first 12-month profit report since Diageo was formed in the merger last year of Guinness PLC and Grand Metropolitan PLC.

Asia will remain weak for the maker of Smirnoff vodka and owner of Burger King restaurants, though the market has stabilized, the chief executive of Diageo, John McGrath, said in an interview. The company's 12-month operating profit from the Asia-Pacific region tumbled to £174 million from £261 million.

LVMH warned that full-year profit would fall as fewer Japanese tourists shopped at its DFS Group duty-free retail unit. LVMH, which gets more than 40 percent of its sales from Asia, said first-half net income fell to 1.48 billion French francs ($262.9 million).

Gucci said second-quarter profit sank to $39 million. About a third of Gucci's sales come from Asia.

"Asia is really a mess," Domenico De Sole, Gucci's chief executive, said.

Diageo and LVMH also cited troubles in other regions as cause for concern about future growth.

Russia is "a disaster," Mr. McGrath said. The company has stopped shipments there. "What we had expected is some really useful growth in 1999, and that isn't going to happen."

LVMH said uncertainty in Russia and Latin America and the weakening of the U.S. dollar were "beginning to weigh on European economies" and said that "under these circumstances, the group expects to post a decline in profitability for 1998 as a whole."

Diageo's chairman, Tony Greener, citing a 30 percent increase in the company's profit when exceptional items were included, said the results were positive.

"The merger is working," he said.

"The integration is ahead of our expectations. In spirits and wine, we have put in place a new structure focused on growing our business and have identified higher than anticipated savings."

Profits in the Asia-Pacific region fell 30 percent at constant exchange rates, but this decline was offset by good performances in Europe and the United States, he said.

Diageo's spirits division, the biggest liquor business in the world, has been especially exposed to the Asian economic downturn.

Sales of the whisky Johnnie Walker Black Label fell by 13 percent worldwide on to a 40 percent decline in Asia, while sales of Johnnie Walker Red Label fell 6 percent worldwide and were off 50 percent in Asia. World sales of gin fell 7 percent, largely because of a 63 percent decline in sales of Gilbey's gin in the Philippines.

"The industry is going through a very rough time at the moment," Edouard de Boisgelin, first vice president at Merrill Lynch & Co., said of the luxury-goods companies. *(Bloomberg, AFP)*

Yuppie Icon Finds Itself On the Block

By Alan Cowell
New York Times Service

LONDON — No yuppie was seen without one. No master or mistress of the universe ventured forth unadorned by this particular accessory. For much of the 1980s, the Filofax — that black leather ring-binder whose girth was a measure of power-lunch dates and contacts in high places — was de rigueur.

On Thursday, it was on the block.

In a move that took some at Filofax Group PLC by surprise, Day Runner, the U.S. manufacturer of personal organizers, announced a £47.9 million ($80 million) bid for the emblem of the '80s that fell victim to a new era and lost ground to electronic organizers. Filofax did not say whether it would accept the bid.

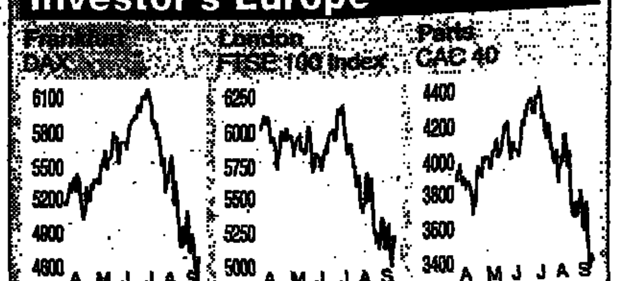
The Filofax was a stunning marketing phenomenon of the 1980s, offering what was billed as a power tool — a one-stop ring-binder where the upwardly mobile could bring together an appointments diary and a forward planner, address-book and project notes in a compact format suited to an incredibly busy Its worldwide sales eventually surpassed those in its British base.

More recently, Filofax has been largely superseded by the electronic organizer, which started eating away at sales of paper organizers just as imitators of Filofax had begun to compete with it, further squeezing its business.

For the past two years, Filofax has struggled. The company reported a loss of £882,000 for the year ended March 31, compared with a profit of £5.9 million the previous year. Sales were slightly lower, at £42.2 million compared with £43.6 million.

"In the 1980s, the brand had a reputation and a recognition to be envied, but today the story is a different one," said Mark Vidovich, chairman of Day Runner.

Investor's Europe



Exchange	Index	Thursday Close	Prev. Close	% Change
Amsterdam	AEX	969.37	970.60	-0.13
Brussels	BEL-20	3,041.53	3,053.62	-0.40
Frankfurt	DAX	4,646.25	4,699.39	-1.13
Copenhagen	Stock Market	601.43	590.36	+1.88
Helsinki	HEX General	4,233.32	4,212.67	+0.49
Oslo	OBX	481.27	474.74	+1.38
London	FTSE 100	5,167.60	5,214.70	-0.90
Madrid	Stock Exchange	702.08	711.11	-1.28
Milan	MIBTEL	18987	19193	-1.07
Paris	CAC 40	3,381.13	3,423.78	-1.25
Stockholm	SX 16	3,270.50	3,332.82	-1.87
Vienna	ATX	1,117.47	1,117.25	+0.02
Zurich	SPI	3,918.08	3,998.49	-2.01

Source: Telekurs — International Herald Tribune

Very briefly:

- **Publicis SA**'s first-half profit rose 72 percent, to 160 million French francs ($28.2 million), helped by acquisitions.
- **Press Holdings** of Britain said its newsweekly the European was for sale and would cease publication at the end of the year if a buyer was not found within 90 days.
- **Lagardere SCA**'s shares rose sharply after the French company said it expected "significant" earnings growth before its planned merger with **Aerospatiale SA**.
- **Compagnie Generale d'Industrie & de Participation SA**, the main shareholder of **Cap Gemini SA**, said its first-half profit rose 159 percent, to 1.59 billion francs, as it posted gains from the sale of its stake in **Crown Cork & Seal SA**.
- **The Confederation of British Industry** employers' group predicted that British manufacturers would face further turmoil in the coming months because of the strong pound, international crises and faltering domestic demand.
- **Yugoslavia's** only automaker, **Zastava**, introduced its first new model in 10 years, the Florida 1.4 pickup truck.
- **Deutsche Bank AG**, Germany's largest bank, bought a 4.5 percent stake in **Banca Commerciale Italiana SpA**, Italy's fifth-largest bank, becoming the bank's second-largest shareholder. The stake is valued at more than 700 billion lire ($418.3 million). *Bloomberg, Reuters, AFP*

Fraud Inquiry Targets Lyonnais's Ex-Chief

Compiled by Our Staff From Dispatches

PARIS — Credit Lyonnais, the scandal-plagued French state-owned bank, faced new troubles Thursday after its former chairman was placed under investigation on suspicion of fraud and a report said that arson had caused a 1996 fire at its headquarters.

A French judge ordered Wednesday that Jean-Yves Haberer, who headed the bank from 1988 to 1993, be investigated on suspicion of concealing the bank's problems as it headed for disaster six years ago. Judicial sources said the judge, Jean-Pierre Zanoto, had cited suspicions that Mr. Haberer had misused corporate funds, presented inaccurate accounts and given wrong information about the bank.

Mr. Haberer, 66, was released on bail of 5 million francs ($888,000). In France, being placed under investigation is roughly equivalent to being charged.

The bank ran into trouble amid allegations of mismanagement and questionable actions by some of its officials in the late 1980s and early 1990s, running up huge losses and leading to a series of state-funded rescue plans. The European Commission forced the government to agree to partly privatize the bank in exchange for approving a third — and what it said would be a final — bailout this year.

The accusations made against Mr. Haberer on Wednesday amounted to the first implication of him, as head of the parent company, in a lengthy examination of how the bank came to cost the taxpayer more than 150 billion francs over the past decade.

Mr. Haberer denied any wrongdoing. "I cannot allow myself to be locked into the position of scapegoat, condemned in advance by specialists in getting themselves under shelter and pseudo-amnesiacs," he said in a statement released Wednesday.

Adding to the bank's problems, the daily France-Soir reported Thursday that an investigation into the massive fire at Credit Lyonnais headquarters in May 1996, which destroyed a large amount of paperwork, concluded that the fire had been caused by arson. It was the second report to conclude that the fire had been started deliberately.

A lawyer for Credit Lyonnais, Jean-Pierre Karila, said the bank would ask for a supplementary investigation. *(AFP, Reuters)*

Paris Calls on EU To React to Crisis

Agence France-Presse

PARIS — The government Thursday made a 12-point proposal Thursday for a joint European Union approach to international economic instability that it hopes will be approved at an EU finance ministers' meeting beginning Friday in Vienna.

The proposal calls for a joint approach on the need for economic reform in Japan, the future of the International Monetary Fund and measures to encourage reform in Russia.

"The European Union must now fully participate in the resolution of the current crisis," the French proposal said.

WORLD STOCK MARKETS

Thursday, Sept. 24
Daily prices in local currencies.
Telekurs

Amsterdam — AEX index: 969.37, Previous: 970.60 — www.aex.nl

	High	Low	Close	Prev.
ABN-AMRO	37.50	34.90	35.00	36.50
Aegon	164.50	155.30	155.30	152.10
Ahold	54.90	53.30	53.40	54.10
Akzo Nobel	73.80	71.70	72.60	70.70
ASM Litho.	35.00	32.20	32.90	33.00
ASR Verz.	156.80	150.00	151.50	147.50
Baan Co.	58.70	54.60	55.60	55.20
Bols Wess cva	23.60	22.60	22.90	22.60
Buhrmann	47.50	44.70	47.30	47.30
Cap Gemini	137.00	131.00	133.90	129.00
CSM cva	97.10	97.10	97.10	96.60
Dordtsche Pet	87.50	82.00	82.70	85.40
DSM	173.50	160.50	163.50	160.30
Elsevier	30.70	29.20	29.70	30.30
Fortis Amev	116.50	113.00	114.80	114.90
Getronics	90.00	84.60	87.20	82.20
Hagemeyer	56.20	51.30	52.00	53.00
Heineken	92.00	88.30	92.00	90.50
Hoogovens cva	62.00	59.90	61.90	58.90
Hunt Douglas	71.50	66.00	68.50	68.50
IHC Caland	93.90	91.00	91.00	92.50
ING Group	103.80	96.00	96.50	98.60
KLM	59.50	57.00	57.50	58.20
KPN	66.20	61.00	62.40	66.20
Nedlloyd	28.20	25.00	26.10	27.80
Numico	65.40	64.00	64.50	64.50
Oce	66.60	65.00	64.50	64.20
Philips Elec	103.00	91.20	96.50	97.70
Polygram	107.50	99.00	105.00	107.40
Randstad Hdg	110.50	101.10	107.00	108.50
Robeco	193.50	191.10	190.10	188.00
Rodamco	41.60	4.10	41.10	41.60
Rolinco	164.00	16.00	161.00	159.50
Rorento	127.30	127.00	127.00	127.40
Royal Dutch	95.70	9.70	91.10	93.10
TNT Post Group	46.00	4.58	45.40	45.10
Unilever cva	129.70	14.00	127.40	121.20
Vendex	78.50	4.30	74.30	77.50
VNU	73.30	1.50	72.50	70.40
Wolters Kl cva	362.00	51.00	357.00	350.90

Athens — Composite index: 2108.89, Previous: 2141.86 — www.ase.gr

	High	Low	Close	Prev.
Commercial Bk	23180	22700	22705	22290
Ergo Bk	24400	24100	24400	23600
Hellenic Bottlg	7350	7160	7280	7090
Hellenic Telecom	6810	6700	6790	6615
Heracles Cemnt	8100	7850	7850	7700
Natl Bank	41495	40570	40700	39980
Titan Cement	18540	18200	18300	18000

Bangkok — SET index: 250.18, Previous: 231.28 — www.set.or.th

	High	Low	Close	Prev.
Adv Info Svc	242.00	210.00	210.00	192.00
Bangkok Bk F	39.00	36.50	36.50	35.00
BEC World	214.00	175.00	210.00	166.00
Delta Electron	230.00	210.00	226.00	208.00
Elec. Gener. F	108.00	88.50	89.00	85.00
Krung Thai Bk	7.20	6.80	7.10	6.40
PTT Explor F	372.00	330.00	360.00	328.00
Siam Cement F	390.00	374.00	378.00	360.00
Telecomasia F	9.10	9.30	9.40	9.00
Thai Airways	36.00	32.50	34.75	33.00
Thai Farm Bk F	26.00	24.50	25.00	23.50

Bombay — Sensex 30 index: 2225.30, Previous: 3135.42 — www.bse-india.com

	High	Low	Close	Prev.
Bajaj Auto	690	654.00	685.00	653.25
Bharat Hvy El	293.00	273.00	293.10	272.60
Bharat Petlm	276.00	270.50	273.50	269.00
Hindust Lever	1730.00	1668.00	1708.50	1666.75
Hindust Petlm	320.0	320.00	322.50	318.00
Ind Dev Bk	59.5	52.25	53.00	53.20
ITC	710.0	662.00	706.50	661.50
Larsen Toubro	190	186.30	189.40	185.30
Mahanagar Tel	2.60	217.10	218.80	217.00
Reliance Ind	1:90	123.80	125.20	123.60
State Bk India	2:90	199.50	208.60	199.30
Tata Eng Loco	14.90	149.40	151.00	149.20

Brussels — BEL-20 index: 3041.53, Previous: 3053.62 — www.stockexchange.be

	High	Low	Close	Prev.
Almanij	2685	2620	2625	2605
Cobepa	2360	2315	2355	2310
Delhaize Lion	2995	2880	2900	2975
Dexia Belgium	5610	5710	5240	5450
Electrabel	3150	12900	13050	13150
Electrafina	3950	3790	3920	3900
Fortis AG	9190	9070	9080	9050
GBL	5870	5760	5760	5780
Gen Banque	12700	12500	12700	12100
KBC Bankassur	2455	2400	2400	2400
Petrofina	12450	12200	12250	12000
Royale Belge	10000	9950	10000	9850
Soc Gen Belg	4200	4200	4200	4150
Solvay	2350	2300	2310	2290
Tractebel	5830	5650	5780	5690
UCB	189000	179600	180500	182000

Buenos Aires — Merval index: 399.13, Previous: 368.76 — www.bcba.sbcom.ar
Wednesday, Sep 23

	High	Low	Close	Prev.
Banco Frances	6.59	6.25	6.59	5.99
Bco Galicia B	4.10	3.60	4.08	3.45
Perez Compa	4.00	3.60	4.00	3.52
Renault Arg	1.11	0.99	1.11	1.01
Siderar A	2.40	2.22	2.40	2.18
Siderca	1.30	1.20	1.30	1.18
Telecom Arg	6.20	5.95	6.20	5.73
Telefonica B	3.15	2.96	3.15	2.87
YPF D	26.40	25.50	26.25	24.85

Copenhagen — Stock index: 601.43, Previous: 590.36 — www.xcse.dk

	High	Low	Close	Prev.
BG Bank	340	325	327.31	329
Carlsberg B	410	390	393.75	400
Danisco	450	410	434	420
Den Danske Bk	925	630	730	710
D/S Svendb B	61000	41700	58958.70	56000
D/S 1912 B	42500	39800	42000	39500
Novo Nord B	930	890	896.89	900
Ratin B	1070	950	1056.06	1000
Tele Danm B	645	602.50	625	628
Unidanmark A	465	442	451.55	485.49

Frankfurt — DAX: 4646.25, Previous: 4699.39 — www.exchange.de

	High	Low	Close	Prev.
AMB B	264.50	258.00	259.00	258.00
Adidas	203.00	188.00	189.00	186.50
Allianz	532.00	516.50	516.50	517.50
Altana	105.75	104.00	104.00	102.75
Audi	1550.00	1550.00	1550.00	1540.00
Axa Colonia	205.00	193.00	193.00	200.00
Bk Berlin	30.90	29.50	29.50	30.00
BASF	64.30	61.70	61.70	62.20
Bayer	67.00	63.30	63.50	65.90
Bay Hypo Verbk	146.00	138.50	139.50	138.30
Beiersdorf	97.00	92.50	93.00	91.20
Bewag	79.20	79.00	79.80	76.00
BHW Holding	27.70	27.00	27.00	27.30
BMW	1175.00	1110.00	1120.00	1092.00
Commerzbank	52.60	49.60	49.70	50.90
Daimler Benz	153.50	147.50	148.10	148.50
Degussa	78.50	73.50	73.50	76.00
Deutsche Bank	108.00	98.00	99.30	102.30
Deut Telekom	54.00	52.00	52.25	53.20
Dresdner Bank	78.50	69.50	70.00	75.00
Energie BW	69.00	68.00	68.00	69.00
Ergo Vers.	298.00	290.00	290.00	296.00
Fresenius	255.00	248.00	246.00	242.00
Fresenius Med	88.00	81.00	81.00	87.00
Fr. Krupp Hoes	237.00	226.00	227.00	233.00
Gehe	107.00	105.00	106.00	105.00
Heidelbg Zmt	115.00	114.00	114.00	113.00
Henkel pfd	132.00	125.00	125.10	130.00
Hoechst	72.25	68.10	68.50	69.70
Karstadt	810.00	796.00	799.00	792.00
Lahmeyer	87.00	86.00	87.00	85.20
Linde	990.00	933.00	933.00	958.00
Lufthansa R	37.90	36.00	36.20	34.80
MAN	553.00	540.00	543.00	549.00
Mannesmann	156.00	145.50	148.50	148.50
Metallgesellschaft	28.00	27.25	27.80	26.90
Metro	109.90	107.00	107.90	105.50
Munch Rueck R	778.00	736.00	736.00	740.00
Preussag	565.00	543.00	543.00	552.25
RWE	94.00	89.50	89.50	92.70
RWE-DEA	470.00	470.00	470.00	480.00
SAP	885.00	790.00	795.00	828.00
Schering	181.50	176.50	177.50	177.50
Siemens	96.50	92.20	93.80	91.50
Springer (Axel)	970.00	915.00	960.00	920.00
Thyssen	318.00	300.00	300.10	307.50
Veba	99.00	94.50	94.50	95.30
VEW	545.00	540.00	540.00	530.00
Viag	1300.00	1220.00	1238.00	1280.00
Volkswagen	125.50	117.60	117.60	115.50
Wuerttem. Vers.	2600.00	2590.00	2590.00	2600.00

Helsinki — HEX General index: 4233.32, Previous: 4212.67 — www.hse.fi

	High	Low	Close	Prev.
Cultor 2	55.00	51.00	52.00	53.50
Enso R	43.00	38.90	38.90	39.70
Huhtamaki I	166.00	162.00	166.00	165.00
Merita A	25.80	24.60	24.90	24.70
Metra B	107.00	104.00	105.00	103.00
Nokia A	430.00	403.00	412.00	409.90
Orion-Yhtymae	115.00	112.50	112.50	112.50
Outokumpu	46.50	44.80	45.00	45.00
Pohjola Ins. B	199.00	192.00	194.00	190.00
Raisio V	73.00	68.00	69.00	69.00
Sampo Ins. A	162.00	157.00	158.00	157.00
UPM Kymmene	118.50	115.50	118.00	115.50

Hong Kong — Hang Seng: 7834.61, Previous: 7584.39 — www.sehk.com.hk

	High	Low	Close	Prev.
Amoy Props	4.93	4.70	4.88	4.53
Bk East Asia	10.30	9.90	10.15	9.65
Beijing Ent.	8.60	8.30	8.45	8.25
Cathay Pacific	7.35	7.00	7.15	6.90
Cheung Kong	34.90	33.70	34.60	32.70
CK Infrastruct	17.00	16.10	16.75	15.60
China Merchant	4.78	4.38	4.75	4.30
China Ovseas	0.80	0.76	0.78	0.76
China Resource	6.75	6.40	6.50	6.25
CLP Holdings	37.50	36.90	37.50	36.90
Citic Ka Wah Bk	2.43	2.23	2.35	2.20
Citic Pacific	12.75	12.00	12.70	11.80
Cosco Pacific	3.35	3.00	3.25	2.93
Dao Heng Bk	9.40	8.70	9.25	8.50
Hang Lung Dev	6.75	6.55	6.70	6.45
Hang Seng Bk	48.80	47.30	47.80	46.00
Henderson Inv	3.75	3.60	3.68	3.50
Henderson Ld	26.60	25.95	26.00	25.55
HK China Gas	9.45	9.00	9.35	9.00
HK Electric	27.05	26.40	26.40	26.70
HK Telecomm	15.70	15.30	15.55	15.10
HSBC Hdgs	146.00	140.00	144.50	137.50
Hutchison Wh	40.10	38.50	39.80	37.40
Hysan Dev.	5.25	5.10	5.15	5.00
Johnson El Hdg	15.00	14.00	14.20	14.90
Natl Mutual	4.00	3.80	4.00	3.70
New World Dev.	9.90	9.60	9.85	9.25
New World Infr.	8.50	7.20	8.05	7.05
Shanghai Ind.	15.70	15.20	15.35	14.90
Shangri-La Asia	5.10	4.88	4.95	4.98
SHK Props	26.10	25.20	25.90	24.40
Sino Land Co.	2.10	1.99	2.05	2.03
Swire Pac A	24.15	23.05	24.15	22.45
Wharf Hdgs	8.20	7.90	8.10	7.85
Wheelock	4.20	4.08	4.13	3.98
Yue Yuen Ind.	13.85	13.75	13.85	13.80

Istanbul — National 100 index: 2435.71, Previous: 2401.88 — www.ise.org

	High	Low	Close	Prev.
Akbank	4750	4300	4650	4300
Anadolu Isuzu	12500	11500	12250	15750
Haci Omer Sab	4750	4100	4650	4050
KOC Holding	32500	28000	32000	28000
Tupras	32000	29500	31000	29000
Turk Hava	21000	19250	20000	19000
Turk Bankasi	8900	8100	8500	8100

Jakarta — Composite index: 282.16, Previous: 262.25 — www.jsx.co.id

	High	Low	Close	Prev.
Astra Intl	425	375	400	375
Gudang Garm	4850	4550	4750	4500
Indah Kiat	1750	1275	1725	1200
Indocement	3350	3250	3350	3200
Indofood	1725	1650	1725	1625
Indorama Syn	1075	1000	1025	950
Indosat	6500	5700	6375	5750
Sampoerna HM	2125	1800	2100	1750
Semen Gresik	7675	7375	7450	7375
Telekomunikasi	1775	1625	1775	1575
Texmaco Perk	3000	2975	3000	3000
Timah	3975	3700	3900	3650

Market Closed

The Johannesburg stock market was closed Thursday for a holiday.

Kuala Lumpur — Composite: 387.46, Previous: 376.26 — www.klse.com.my

	High	Low	Close	Prev.
Berjaya Sports	3.18	3.04	3.10	3.04
Genting	7.20	7.05	7.20	7.00
Golden Hope	2.56	2.37	2.47	2.45
KL Kepong	4.46	4.24	4.26	4.40
Magnum	1.14	1.09	1.12	1.09
Mal Banking	4.10	3.96	4.00	3.94
Mal Intl Ship F	4.08	3.88	4.00	3.80
Petronas Gas	6.55	6.35	6.50	6.35
Public Bk F	0.99	0.96	0.98	0.94
Resorts World	3.68	3.56	3.66	3.52
RHB Capital	1.69	1.62	1.66	1.63
Rothmans PM	17.10	16.80	17.00	16.90
Sime Darby	2.74	2.63	2.74	2.60
Telekom Mal	6.55	6.10	6.45	6.05
Tenaga	3.90	3.76	3.86	3.72
YTL	3.20	3.04	3.12	3.10
YTL Power	3.00	2.87	2.87	2.87

London — FT-SE 100: 5167.60, Previous: 5214.70 — www.stockex.co.uk

	High	Low	Close	Prev.
Abbey Natl	11.29	10.63	10.95	11.09
Alliance Leic	8.75	8.49	8.71	8.41
Allied Domecq	4.35	4.17	4.20	4.20
Allied Zurich	7.15	6.85	6.92	6.91
Amvescap	4.00	3.78	3.82	3.84
Anglian Water	9.82	8.75	8.77	8.84
ASDA Group	1.77	1.67	1.68	1.75
Assoc Br Foods	5.87	5.40	5.61	5.55
BAA	6.12	5.89	6.03	5.90
Bank Scotland	6.21	5.66	6.17	6.09
Barclays	11.59	10.50	11.27	10.96
Bass	7.00	6.12	6.35	6.65
BritAm Tobacco	4.89	4.72	4.78	4.78
BG	3.82	3.71	3.80	3.75
Billiton	1.37	1.25	1.33	1.21
Blue Circle	2.70	2.61	2.63	2.61
BOC Group	7.70	7.35	7.45	7.60
Boots	10.00	9.63	9.93	9.60
Brit Assur	13.72	13.20	13.20	13.50
Brit Aerosp	4.05	3.85	3.89	3.82
Brit Airways	4.10	3.90	3.94	3.97
Brit Energy	6.15	5.93	6.09	6.00
Brit Land	5.75	5.45	5.55	5.61
Brit Petm	9.13	8.69	8.82	8.50
Brit Steel	1.01	0.96	0.98	0.98
Brit Telecom	8.54	7.90	8.11	8.29
BSkyB	5.41	5.26	5.30	5.26
BTR	1.17	1.02	1.10	1.11
Burmah Castrol	9.00	8.75	8.82	8.91
Cable Wireless	5.90	5.51	5.75	5.50
CW Comms	3.78	3.65	3.75	3.73
Cadbury Schw	8.70	8.21	8.24	8.29
Carlton Comm	4.13	3.95	4.01	4.07
Centrica	1.18	1.12	1.17	1.12
CGU	9.97	9.32	9.32	9.19
Compass Group	6.07	5.79	5.95	5.86
Daily Mail A	22.00	21.10	21.16	21.04
Diageo	5.35	4.88	4.95	5.26
Dixons Group	6.06	5.70	5.80	5.98
EMAP	10.00	9.28	9.28	9.88
EMI Group	3.64	3.31	3.33	3.55
Enterprise Oil	4.17	4.00	4.11	3.85
Gallaher Group	4.42	4.28	4.42	4.30
GEC	4.49	4.30	4.40	4.33
GKN	6.48	6.12	6.24	6.30
Glaxo Wellcome	18.45	17.75	18.00	17.92
Granada Group	7.94	7.60	7.71	7.75
GRE	2.83	2.62	2.71	2.78
GUS	7.29	7.01	7.07	7.08
Halifax	7.93	7.55	7.81	7.55
Hays	9.10	8.86	8.90	8.80
HSBC Hdgs	12.35	10.65	11.18	10.77
HSBC Hdgs 75p	11.83	10.82	10.95	11.31
ICI	5.06	4.15	4.50	4.89
Impl Tobacco	5.98	5.80	5.90	5.96
Kingfisher	5.40	5.05	5.05	5.01
Ladbroke	2.32	2.10	2.12	2.22
Land Sec	9.40	9.17	9.18	9.07
Lasmo	1.75	1.69	1.71	1.68
Legal Genl Grp	7.10	6.77	6.89	6.98
Lloyds TSB Grp	7.40	6.74	6.82	7.00
LucasVarity	2.04	1.97	1.98	2.00
Marks Spencer	4.52	4.32	4.37	4.40
MEPC	4.80	4.63	4.77	4.70
Misys	0000	0000	0000	0000
National Grid	4.77	4.55	4.69	4.60
National Power	5.97	5.52	5.56	5.81
NatWest	9.35	8.85	9.02	8.60
Next	4.45	4.02	4.14	3.81
Northern Rock	5.30	5.00	5.20	4.98
Norwich Union	4.68	4.46	4.49	4.57
Nycomed Amer	4.03	3.88	3.91	3.83
Orange	6.33	5.91	5.99	5.92
P&O	6.35	6.14	6.27	6.22
Pearson	11.20	10.70	10.88	10.70
PowerGen	9.80	8.00	8.80	8.90
Provident Fin	8.55	7.37	8.40	8.43
Prudential	8.93	8.42	8.56	8.35
Railtrack Group	16.66	16.05	16.30	16.15
Rank Group	2.59	2.48	2.54	2.48
Reckitt Colman	8.84	8.43	8.54	8.60
Reed Intl	5.69	5.26	5.42	5.55
Rentokil Initial	3.52	3.30	3.38	3.29
Reuters Group	5.64	4.94	5.30	5.40
Rio Tinto R	7.20	6.48	6.91	6.63
RMC Group	6.50	6.01	6.39	6.38
Rolls Royce	1.97	1.92	1.95	1.92
Royal Bk Scot	7.95	7.24	7.75	7.46
Royal & Sun All	5.73	5.28	5.36	5.07
Safeway	3.18	2.92	2.99	3.10
Sainsbury	5.60	5.43	5.50	5.42
Schroders	11.00	10.05	10.15	9.95
Scot Newcastle	7.40	7.05	7.08	7.22
Scot Power	6.08	5.84	5.88	6.80
SEMA Group	5.93	5.55	5.70	5.77
Severn Trent	10.94	10.58	10.79	10.62
Shell Transp R	3.79	3.56	3.59	3.71
Siebe	2.13	1.93	1.94	1.96
SmithKline	7.08	5.86	6.91	6.80
Smiths Ind	7.30	7.01	7.09	7.06
Sthern Elec	6.40	6.15	6.36	6.39
Stand Charter	4.35	3.90	4.10	3.97
Sun Life Prov	5.60	5.30	5.44	5.54
Tate & Lyle	3.26	3.18	3.24	3.18
Tesco	1.82	1.66	1.69	1.70
Thames Water	11.15	10.95	11.02	11.11
3i Group	5.21	4.87	4.99	5.10
TI Group	3.51	3.32	3.38	3.32
Tomkins	2.62	2.50	2.58	2.55
Unilever	5.48	5.25	5.39	5.17
Utd News	5.84	5.58	5.62	5.86
Utd Utilities	9.41	8.99	9.17	9.05
Vodafone	7.90	7.38	7.38	7.37
Whitbread	7.90	7.40	7.58	7.60
Williams Hdgs	3.35	3.20	3.27	3.25
Wolseley	2.94	2.82	2.85	2.89
Woolwich	3.54	3.22	3.38	3.48
WPP Group	3.00	2.91	2.96	2.94
Zeneca	22.98	21.16	21.75	22.50

Madrid — Bolsa index: 702.08, Previous: 711.11 — www.bolsamadrid.es

	High	Low	Close	Prev.
ACESA	2275	2150	2150	2210
Aguas Barcelon	7590	7010	7100	7000
Argentaria	3100	2855	2860	3040
BBV	1750	1520	1520	1650
Banesto	1930	1850	1850	1885
Bankinter	4290	4120	4150	4195
Bco Centro Hisp	1440	1315	1330	1345
Bco Popular	10200	9300	9380	9800
Bco Santander	2560	2325	2380	2385
Catalana Occid	3740	3500	3510	3425
CEPSA	4245	4160	4220	4170
Continente	3840	3700	3775	3620
Corp Mapfre	3320	3020	3020	3190
Endesa	3410	3395	3355	3275
FECSA	1410	1375	1385	1400
Fom Constr	6290	5980	6090	5920
Gas Natural	10850	10210	10290	10390
Grupo Acciona	33950	32300	33950	32500
Iberdrola	2455	2395	2430	2410
Pryca	3080	2850	2885	2950
Repsol	6400	5900	5910	6250
Sevillana Electr	1740	1650	1685	1650
Tabacalera	3400	3255	3265	3330
Telefonica	5730	5410	5420	5410
Union Fenosa	2130	2055	2100	2080
Valenc Cement	2950	2805	2870	2850

Manila — PSE index: 1220.25, Previous: 1159.89 — www.pse.com.ph

	High	Low	Close	Prev.
Ayala	5.10	4.75	5.00	4.45
Ayala Land	6.50	6.20	6.40	5.80
Bk Philip Isl	60.50	59.50	59.50	60.00
Manila Elec A	65.50	64.00	65.00	63.00
Manila Elec B	88.00	85.00	85.50	85.00
Metro Bank	135.00	132.00	135.00	135.00
Petron	2.85	2.75	2.80	2.75
Phil Long Dist	905.00	870.00	885.00	800.00
San Miguel A	39.50	39.00	39.00	38.50
San Miguel B	54.00	50.00	51.50	50.00
SM Prime Hdg	5.30	5.20	5.20	5.00

Mexico — Bolsa index: 3786.44, Previous: 3902.19 — www.bmv.com.mx

	High	Low	Close	Prev.
Alfa A	30.10	28.30	28.40	29.20
Banacci B	12.40	10.96	10.96	11.50
Bancomer B	2.50	2.20	2.20	2.40
Bimbo A	18.00	17.90	17.98	18.00
Carso A1	33.50	30.90	30.95	32.20
Carso Gl Tel A1	23.05	22.50	22.90	22.90
Cemex CPO	26.00	23.50	23.90	25.20
Cifra C	15.00	13.26	13.50	14.50
Inbursa B	19.00	19.00	19.00	19.00
KimClark Mex A	28.00	26.00	26.50	27.00
Televisa CPO	116.50	111.00	111.50	113.00
TelMex L	24.40	23.35	23.35	24.00

Late trading

Milan — MIB Telematico: 18987.00, Previous: 19193.00 — www.borsaitalia.it

	High	Low	Close	Prev.
Alleanza Assic	20530	19500	19900	19920
Bca Comm Ital	9250	8805	8740	8750
Bca Fideuram	7645	6990	6990	7200
Bca Intesa	7795	7360	7380	7650
Bca Pop Verona	152500	147500	148900	149500
Bca di Roma	3070	2800	2830	2920
Benetton	2850	2655	2850	2735
Comparti	1155	1086	1086	1124
Credito Italiano	7640	7045	7090	7345
Edison	14350	13450	13670	14050
ENI	10590	9990	10090	10350
Fiat	4790	4460	4480	4640
Fondiaria Assic	7650	7325	7400	7640
Generali Assic	55400	53100	53800	52500
IFIL rnc	3600	3485	3485	3460
IMI	22200	20650	20900	20750
INA	4430	4290	4295	4260
Italgas	7640	7270	7340	7500
Mediaset	10880	10230	10490	10690
Mediobanca	16400	15430	15430	15895
Montedison	1765	1685	1692	1707
Olivetti	3535	3250	3365	3415
Parmalat	2380	2235	2360	2270
Pirelli	4750	4590	4630	4635
RAS	19090	18350	18695	18550
Rolo Banca	34600	31700	32250	33050
S Paolo Torino	21450	19750	19900	20000
Telecom Italia	12250	11650	11690	11800
TIM	10560	9825	9735	10745

Montreal — Industrials index: 3282.63, Previous: 3347.17 — www.me.org

	High	Low	Close	Prev.
BCE Mob Com	36.80	34.50	34.70	36.50
Biochem Pharm	32.50	32.00	32.30	32.60
Cdn Util A	42.50	41.30	42.50	41.25
CT Finl Svc	50.00	50.00	50.00	50.00
Gt-West Lifeco	21.25	21.00	21.15	21.25
Imasco	29.00	28.80	28.80	29.45
Investors Grp	19.80	19.25	19.80	19.80
Loblaw Cos	34.00	33.60	33.70	34.00
Natl Bk Canada	23.35	23.00	23.15	23.50
Power Corp	28.45	27.75	27.90	28.10
Power Finl	28.40	27.80	27.80	28.00

Late trading

Oslo — OBX index: 481.27, Previous: 474.74 — www.ose.no

	High	Low	Close	Prev.
Aker A	92.00	88.00	88.00	91.00
Aker Maritime	92.50	88.00	88.00	91.00
Bergesen Dy A	105.00	104.00	104.50	104.00
Christiania Bk	24.80	23.70	24.00	23.90
Den norske Bk	26.00	24.20	24.50	25.10
Kvaerner	99.00	86.50	89.50	95.00
Netcom	185.00	178.00	184.00	177.50
Norsk Hydro	290.00	280.00	285.00	279.50
Norske Skog A	183.00	158.00	182.00	177.00
Nycomed Amer	50.00	48.50	49.00	48.20
Orkla A	102.00	95.00	96.00	92.00
Petm GeoSvc	127.00	120.80	122.50	118.50
Saga Petm A	83.00	80.00	81.50	79.00
Schibsted	85.00	82.00	85.00	80.50
Storebrand	52.00	50.00	50.00	50.00

Paris — CAC-40: 3381.13, Previous: 3423.78 — www.bourse-de-paris.fr

	High	Low	Close	Prev.
Accor	1289	1190	1198	1207
AGF	317.70	312.10	312.10	311.20
Air Liquide	925	845	846	900
Alcatel Alsth	600	531	531	570
Alstom	122	111.40	111.40	111
Axa	605	572	574	572
BIC	327.80	307	312	310.10
BNP	389	340	346.50	358.90
Bouygues	1093	1035	1075	1026
Canal Plus	1315	1272	1288	1303
Cap Gemini	858	816	831	780
Carrefour	3625	3432	3450	3500
Casino	574	565	569	563
CCF	393.40	352	352	370
Christian Dior	498	465	465	487.10
Danone	1575	1546	1546	1575
Dassault Sys	237.90	222.10	223	212.50
Dexia France	802	725	751	770
Elf-Aquitaine	771	717	719	761
Eridania BS	1130	1083	1100	1100
Essilor Intl	2270	2210	2230	2220
Eurodisney	9.75	9	9.40	9
Eurotunnel	5.75	5.35	5.35	5.10
France Telecom	408	386.10	387	390
Lafarge	506	480.20	482	480
Lagardere	186	178.30	182	167.50
Legrand	1451	1374	1380	1354
L'Oreal	2960	2821	2824	2790
LVMH	909	820	829	875
Michelin B	247	233.80	238	233.10
Paribas A	409.50	363.70	364	384.20
Pechiney A	176.80	166	173	161
Pernod Ricard	430	398.60	410	420
Peugeot Cil	1004	963	963	968
Pinault-Print	979	911	922	960
Promodes	3674	3554	3561	3516
Renault	250	230	230	228
Rexel	507	460	488.90	478
Rh-Poulenc A	242	229.50	232	221.50
Sanofi	826	812	816	801
Schneider	337	314.70	318	308.50
STMicroelec	310	280.20	282	295.80
Ste Generale A	845	744	744	770
Sodexho Alliance	1124	1045	1062	1090
St Gobain	822	770	770	767
Suez Lyon Eaux	981	965	970	964
Synthelabo	1140	1081	1094	1049
Thomson CSF	209	192	195	201.10
Total B	762	700	700	730
Usinor	61.60	58	58.10	56
Valeo	417.90	396.50	398.80	380
Vivendi	1155	1122	1142	1120

Prague — PX 50 index: 274.08, Previous: 268.60 — www.pse.cz

	High	Low	Close	Prev.
Ceska Sporitelna	146.71	125	126.36	140
CEZ	614	585	602.90	590.20
Ceska Plavba	54	46	46	51.60
Cokoladovny	3945	3945	3945	4600
Komercni Bnka	675	646	656.20	649.10
SPT Telecom	401	370	395.80	377.10
Unipetrol	70	67.55	67.76	67.26

São Paulo — Bovespa index: 6976.82, Previous: 7208.32 — www.bovespa.com.br

	High	Low	Close	Prev.
Bco Brasil Pfd	9.50	8.70	8.70	9.20
Bradesco Pfd	7.48	7.00	7.30	7.20
Brahma Pfd	520.00	507.00	509.00	507.00
Cemig Pfd	29.00	27.20	27.50	28.20
CESP Pfd	19.00	16.95	17.10	17.50
Copel Pfd B	9.45	8.00	8.01	8.75
Eletrobras	29.00	26.40	26.60	28.90
Eletropaulo Pfd	64.50	63.90	64.40	64.01
Gerdau Pfd	11.30	11.00	11.00	11.19
Itaubanco Pfd	610.00	600.00	600.00	600.00
Light Servicos	176.00	168.00	168.00	172.00
Petrobras Pfd	141.00	130.00	131.50	138.00
SABESP	74.00	69.50	69.51	71.50
Telebras Pfd	550.00	350.00	440.00	350.00
Telerj Pfd	41.01	38.10	38.20	41.80
Telesp Pfd	191.00	182.99	184.00	191.00
CVRD Pfd	18.40	18.40	18.40	19.40

Late trading

Seoul — Composite index: 310.75, Previous: 291.93 — www.kse.or.kr

	High	Low	Close	Prev.
Daewoo Heavy	5050	4760	4960	4680
Hyundai Elec.	28100	27680	27900	27900
Kookmin Bank	3180	2955	3130	2920
Korea El Pwr	19800	18100	19800	17700
LG Electronics	11950	11100	11800	10850
LG Semicon	9670	9080	9650	8900
Pohang Iron St	45400	43100	44900	42700
Samsung Display	32900	31000	32900	29400
Samsung Elec	37950	37000	37950	33900
Samsung Fire	258000	248000	255000	245000
Shinhan Bank	3060	2850	2980	2880
SK Telecom	420000	401000	415000	410000

Shenzhen — B shares index: 64.57, Previous: 63.95

	High	Low	Close	Prev.
Bengang Steel	1.03	1.00	1.01	1.01
China Intl Marin	3.99	3.80	3.92	3.80
Guandg El Pwr	2.73	2.60	2.69	2.56
Konka Group	5.00	4.60	5.00	5.80
Shandg Chenm	2.55	2.49	2.50	2.51
SZ Fangda	5.80	5.53	5.68	5.50
Shenzhen Seg	1.95	1.98	1.94	1.90
Tsann Kuen	1.40	1.40	1.40	1.38

B shares only, quoted in Hong Kong dollars.

Singapore — Straits Times: 931.98, Previous: 908.99 — www.ses.com.sg

	High	Low	Close	Prev.
City Devlts	3.82	3.22	3.68	3.10
Cycle Carriage	2.68	2.50	2.48	2.50
Dairy Farm Intl *	1.07	1.01	1.03	1.00
DBS foreign	6.05	5.75	5.95	5.55
DBS Land	1.23	1.13	1.19	1.08
Fraser & Neave	3.60	3.34	3.52	3.22
HK Land *	0.96	0.94	0.94	0.93
Jard Matheson *	2.07	2.03	2.03	1.99
Jard Strategic *	1.18	1.15	1.18	1.09
Keppel Corp.	1.90	1.83	1.88	1.79
OCBC foreign	4.14	4.06	4.12	3.96
OS Union Bk F	2.49	2.43	2.48	2.39
Sing Air foreign	8.95	8.65	8.90	8.50
Sing Land	2.72	2.44	2.67	2.42
Sing Press	14.20	13.80	14.00	13.60
Sing Tech Eng	1.70	1.63	1.64	1.61
Sing Tech Ind	1.68	1.62	1.65	1.58
Sing Telecomm	2.80	2.75	2.75	2.73
Utd OSea Bk F	4.44	4.22	4.40	4.18

*: in U.S. dollars.

Stockholm — SX 16 index: 3270.50, Previous: 3332.82 — www.xsse.se

	High	Low	Close	Prev.
AGA B	112.00	101.00	104.00	103.50
ABB A	77.00	72.00	72.50	73.00
ABB B	77.00	71.50	72.00	73.00
AssiDoman	160.00	152.00	152.00	155.00
Astra A	139.50	133.00	133.50	138.00
Astra B	135.00	127.50	127.50	133.00
Atlas Copco A	178.00	166.00	170.50	174.00
Electrolux B	104.50	99.50	100.50	101.50
Ericsson B	165.50	154.00	155.00	157.50
Forenings Spar	189.50	186.50	187.00	202.00
Hennes B	560.00	547.00	553.00	552.00
Incentive A	74.00	67.00	68.50	72.00
Investor B	333.00	315.00	315.50	323.50
NetCom Sys	278.00	263.00	263.00	262.00
Nordbanken Hdg	44.00	41.30	41.40	41.80
Pharm/Upjohn	405.00	395.00	399.00	387.00
Sandvik B	166.00	160.00	161.00	163.00
Scania B	165.00	149.50	150.00	160.00
SCA B	173.00	164.00	164.00	169.50
S-E Banken A	82.50	75.00	76.00	78.50
Skandia Fors	106.00	97.00	97.50	99.50
Skanska B	291.00	268.00	268.50	282.00
Stora A	92.50	83.00	82.00	89.00
Sv Handels A	310.00	287.00	301.50	300.50
Volvo B	199.00	189.00	189.50	192.00

Sydney — All Ordinaries: 2614.90, Previous: 2573.60 — www.asx.com.au

	High	Low	Close	Prev.
Amcor	6.00	5.92	5.95	5.86
AMP	22.04	21.35	21.95	21.82
ANZ Bkng	9.10	9.02	9.04	8.88
Aust. Gas Light	11.60	11.40	11.45	11.41
BHP	13.02	12.80	12.81	12.64
Boral	2.39	2.33	2.37	2.35
Brambles Ind.	35.80	35.00	35.75	34.50
CBA	20.22	20.01	20.18	19.99
CC Amatil	4.69	4.45	4.54	4.36
Coles Myer	7.11	6.89	7.07	6.82
Colonial	5.00	4.85	4.85	4.89
Comalco	6.40	6.15	6.20	6.30
CSR	3.70	3.61	3.68	3.56
Fosters Brew	3.70	3.66	3.67	3.64
Gen. Prop. Tr.	2.89	2.81	2.84	2.81
Lend Lease	36.85	35.61	36.65	35.20
Nat Aust Bank	21.60	21.10	21.65	20.88
Nat Mutual Hdg	3.52	3.38	3.40	3.42
News Corp	11.48	11.10	11.28	10.90
Pioneer Intl	3.35	3.27	3.33	3.39
Pub Broadcast	6.10	5.96	5.96	5.96
Rio Tinto	19.95	19.60	19.75	19.48
St George Bank	10.86	10.61	10.83	10.56
Southcorp	4.67	4.52	4.60	4.61
Telstra	4.65	4.58	4.61	4.55
WMC	5.01	4.97	4.99	4.92
Westfield Trust	3.40	3.30	3.33	3.32
Westpac Bking	9.85	9.60	9.78	9.45
Woodside Pet	9.11	8.87	8.92	8.96
Woolworths	5.79	5.68	5.75	5.63

Taipei — Stock Market index: 6979.95, Previous: 6962.17 — www.tse.com.tw

	High	Low	Close	Prev.
Acer	34.90	33.90	33.90	34.00
Adv. Semi	56.00	55.00	55.00	54.50
Asustek Comp.	248.00	241.00	241.00	239.00
Cathay Life Ins.	97.50	96.00	96.50	96.00
Chang Hwa Bk	58.00	57.00	57.50	57.00
China Develpmt	63.00	62.00	62.50	62.00
China Steel	20.70	20.40	20.40	20.30
First Comm. Bk	54.00	53.00	53.00	53.00
Formosa Plastic	44.30	43.20	44.20	43.30
Hon Hai Prec.	160.00	157.00	157.00	154.00
Hua Nan Bk	57.00	55.50	55.50	55.50
Intl Comm. Bk	36.30	35.30	35.30	35.60
Nan Ya Plastics	36.60	36.00	36.40	36.10
Shin Kong Life	51.50	50.50	51.00	50.50
Taiwan Semi	66.50	65.00	65.00	64.50
Utd Micro Elec.	37.20	35.20	35.20	36.80
Utd World Chin.	31.30	30.50	30.60	31.00

Tel Aviv — Tel Aviv 25 index: 298.93, Previous: 295.96 — www.tase.co.il

	High	Low	Close	Prev.
Bk Hapoalim	9.63	9.29	9.32	9.55
Bk Leumi	5.96	5.74	5.76	5.86
Bezeq Isr Tel	11.78	11.48	11.51	11.42
IDB Dev.	90.80	87.60	88.30	90.60
Israel Chem.	3.83	3.67	3.69	3.83
Isr Discount Bk	3.75	3.58	3.60	3.73
Koor Industries	355.00	340.00	341.00	354.00
M.A. Industries	8.86	8.66	8.68	8.80
Teva Pharm.	146.00	144.60	145.60	144.90

Tokyo — Nikkei 225: 14205.78, Previous: 13789.81 — www.tse.or.jp

	High	Low	Close	Prev.
Acom	7000	6750	6960	6510
Advantest	6050	5810	6010	5610
Ajinomoto	1185	1162	1176	1168
All Nippon Air	477	465	469	463
Asahi Bank	425	408	415	415
Asahi Brew	1685	1670	1675	1680
Asahi Chem	430	421	428	406
Asahi Glass	723	690	698	679
Bk Tokyo Mitsu	1044	1000	1015	987
Bridgestone	2925	2705	2880	2605
Canon	2810	2640	2800	2545
Cent. Japan Ry	6080a	5940a	5940a	5980a
Chubu Elec	2200	2170	2200	2160
Chugoku Elec	2168	2110	2160	2100
Dai Nipp Print	1928	1881	1900	1879
Dai-Ichi Kang	626	595	600	586
Daiwa House	1234	1205	1209	1177
Daiwa Sec	375	363	370	365
DDI	3200a	3030a	3050a	3100a
Denso	2240	2160	2235	2090
East Japan Ry	7460a	7370a	7390a	7320a
Eisai	1807	1737	1770	1712
Fanuc	3980	3900	3960	3910
Fuji Bank	380	366	373	366
Fuji Photo	4740	4590	4720	4550
Fuji TV Netwk	5280a	5100a	5120a	5050a
Fujitsu	1209	1160	1194	1162
Hachijuni Bk	1114	1104	1114	1105
Hitachi	622	581	610	545
Honda Motor	4360	4220	4320	4140
IBJ	580	565	569	565
Ito-Yokado	4520	6450	6500	6470
JAL	345	336	336	342
Japan Tobacco	9900a	9840a	9890a	9750a
Jusco	1969	1866	1969	1861
Kansai Elec	2450	2370	2430	2370
Kao	2185	2130	2150	2100
Kawa Steel	179	173	178	175
Keyence	13200	12600	12900	12500
Kinki Nipp Ry	601	596	600	595
Kirin Brewery	1160	1110	1110	1109
Komatsu	620	596	603	596
Kyocera	6250	6060	6100	5910
Kyushu Elec	2205	2180	2195	2175
LTCB	25	23	24	21
Marui	2060	2020	2060	2035
Matsu Comm	4830	4660	4750	4620
Matsu Elec Ind	1845	1806	1845	1821
Matsu Elec Wk	1049	1017	1035	1018
Matsu-kotobuki	3170	2960	3010	2910
Minebea	1220	1169	1190	1175
Mitsubishi	727	699	724	700
Mitsubishi El	265	247	259	243
Mitsubishi Est	973	935	970	974
Mitsubishi Hvy	495	467	490	462
Mitsubishi Tr	705	676	692	684
Mitsui	633	619	671	620
Mitsui Marine	574	551	571	540
Mitsui Fudosn	800	780	800	770
Murata Mfg	4540	4540	4540	4520
NEC	936	896	926	881
Nichiei	9790	9430	9590	9330
Nikko Sec	365	355	357	353
Nintendo	12470	11910	12400	11770
Nipp Express	690	647	688	643
Nippon Oil	385	369	379	364
Nippon Paper	480	448	458	455
Nippon Steel	194	184	193	181
Nissan Motor	401	393	400	398
Nomura Sec	1069	1038	1064	1030
NTT	1060b	1020b	1050b	1000b
NTT Data	5100a	4800a	5100a	4650a
Oji Paper	526	517	518	506
Omron	1260	1230	1240	1190
Oriental Land	4840	4800	4810	4820
Orix	8860	8600	8740	8510
Osaka Gas	360	353	356	355
Promise	6100	5690	6000	5620
Ricoh	1192	1117	1185	1056
Rohm	13210	12410	13210	11770
Sakura Bk	233	225	225	224
Sankyo	3320	3220	3300	3200
Sanwa Bank	833	799	829	795
Sanyo Elec.	368	353	362	351
Secom	8550	8230	8310	8450
Seibu Rwy	4200	4090	4090	4180
Sekisui House	1073	1062	1070	1060
Seven-Eleven	8180	8080	8120	8160
Sharp	864	830	863	820
Shin-etsu Ch	2260	2175	2235	2165
Shiseido	1299	1271	1278	1275
Shizuoka Bk	1346	1297	1309	1306
SMC	9560	9040	9300	9000
Softbank	5450	5450	5450	4950
Sony	9850	9390	9770	8980
Sony Music Ent	4630	4500	4540	4400
Sumitomo	560	525	552	520
Sumitomo Bk	1115	1050	1070	1037
Sumit Chem	415	403	412	392
Sumit Elec	1370	1347	1360	1325
Sumit Marine	665	638	665	626
Sumit Metal	146	141	145	136
Sumit Trust	360	341	352	357
Suzuki Motor	1360	1301	1302	1344
Taisho Pharm	2840	2795	2840	2705
Takeda Chem	3800	3690	3740	3650
Takefuji	6360	6300	6350	6290
TDK	9250	8660	9040	8380
Tohoku El Pwr	2060	2030	2060	2045
Tokai Bank	580	554	554	556
Tokio Marine	1252	1220	1243	1210
Tokyo El Pwr	2660	2625	2625	2620
Tokyo Electron	3340	3180	3290	3130
Tokyo Gas	302	295	299	296
Tokyu Corp.	328	317	320	315
Toppan Print	1540	1503	1523	1483
Toray Ind	579	555	574	565
Toshiba	517	487	504	471
Toyo Trust	484	463	474	470
Toyoda Loom	2085	2050	2080	2065
Toyota Motor	3010	2820	2860	2800
West Japan Ry	5600a	5360a	5420a	5490a
Yamanouchi	3040	3000	3010	3000
Yamato Transp.	1524	1493	1511	1499
Yasuda Fire	536	528	531	526

a: x 100; b: x 1,000

Toronto — TSE Industrials: 5963.02, Previous: 6015.86 — www.tse.com

	High	Low	Close	Prev.
Abitibi Cons.	16.20	15.55	15.65	16.20
Alberta Energy	36.00	35.25	35.60	35.80
Alcan Alum	38.10	37.05	37.05	37.85
Ballard Pwr Sys	34.40	32.20	33.35	32.65
Bk Montreal	62.00	60.60	60.75	62.25
Bk Nova Scotia	26.50	25.75	25.75	26.55
Barrick Gold	30.60	29.00	30.40	28.90
BCE	49.95	48.80	48.95	50.25
BC Telecomm	39.75	38.75	38.90	39.00
Bombardier B	19.25	18.85	19.00	19.15
CIBC	30.90	29.95	29.95	30.60
Cdn Natl Rail	65.80	64.80	65.20	65.00
Cdn Nat Res	25.65	25.00	25.10	25.75
Cdn Occid Pet	27.90	27.25	27.25	28.00
Cdn Pacific	35.70	34.00	34.00	35.70
Du Pont Cda A	36.00	35.75	35.95	36.00
EdperBrascan	22.00	21.55	21.65	21.90
Fairfax Finl	435.00	430.00	430.00	435.00
Falconbridge	16.65	16.20	16.30	16.40
Geac Computer	37.20	36.50	37.00	37.00
Imperial Oil	23.75	23.10	23.40	22.85
Inco	17.10	16.50	16.50	17.10
IPL Energy	65.00	64.50	64.50	65.15
Laidlaw	15.65	15.25	15.35	15.30
Magna Intl A	95.90	93.75	94.70	95.95
Newbridge Net	33.10	31.15	31.15	33.40
Newcourt Credit	47.50	45.75	46.10	47.00
Noranda Inc	22.25	21.90	22.20	22.00
Nthern Telecom	63.50	61.40	61.40	62.95
Nova	20.20	19.60	19.90	20.40
Pancdn Petlm	22.25	21.75	22.10	22.00
Petro Cda	20.50	19.50	20.10	20.20
Placer Dome	21.45	20.20	21.20	20.10
Potash Sask	85.00	81.20	83.95	81.80
Renaissance	21.40	21.10	21.15	21.50
Royal Bk Cda	66.90	65.05	65.05	67.10
Royal Grp Tech	30.95	30.10	30.10	30.75
Seagram Co	50.25	48.90	48.90	50.15
Shell Cda A	25.50	25.05	25.30	26.00
Suncor	51.85	51.05	51.15	51.65
Talisman Eny	35.90	35.05	35.05	36.00
Teleglobe	41.65	40.85	41.00	41.40
Telus	31.30	31.00	31.05	31.40
Thomson	38.25	37.50	37.50	38.00
TorDom Bank	45.00	43.25	43.50	45.50
Torstar	18.25	18.10	18.20	18.50
Transalta	23.55	23.15	23.25	23.86
TransCda Pipe	23.75	23.30	23.65	23.45
Trizec Hahn	28.95	28.50	28.90	28.65
Westcoast Eny	28.50	28.25	28.30	28.25
Weston	47.00	45.50	46.25	47.00

Late trading

Vienna — ATX index: 1117.47, Previous: 1117.25 — www.wbag.at

	High	Low	Close	Prev.
Bank Austria	560	543	544	539
Bund. Vers.	718	718	718	715
Creditanst	745	712	740	715
Erste Bank	655	620	623	645
EVN	1782	1738	1770	1763.90
Generali Hdg	2397	2305	2345	2300
OMV	1229	1181	1200	1169.50
Oest Elektriz	2000	1955	1971	1952.15
VA Tech	1277	1191.50	1205	1244
Wienerberg Bau	2395	2316	2341	2325.10

Wellington — NZSE-40 index: 1738.46, Previous: 1708.22 — www.nzse.co.nz

	High	Low	Close	Prev.
Air NZealand B	1.80	1.70	1.70	1.80
Brierly Invt	0.40	0.36	0.38	0.38
Carter Holt ord	1.38	1.32	1.34	1.29
Fletch Ch Bldg	2.04	2.00	2.02	1.95
Fletch Ch Eny	3.18	3.06	3.14	2.95
Fletch Ch Paper	1.03	1.02	1.03	1.01
Indep. News	5.75	5.75	5.75	5.70
Lion Nathan	4.52	4.40	4.48	4.37
Sky Network	2.25	2.20	2.25	2.15
Telecom NZ	7.50	7.34	7.46	7.30

Zurich — SPI index: 3918.08, Previous: 3998.49 — www.bourse.ch

	High	Low	Close	Prev.
ABB B	1500	1415	1419	1408
ABB R	301	285	285	281
Adecco	580	530	547	568
Alusuisse R	1435	1365	1385	1362
Ares-Serono B	1920	1800	1870	1880
Baer Hdg B	3550	3050	3150	3332
Baloise Hdg R	977	915	925	924
BK Vision	246	208	208	224
Ciba Spec Chem	122	113.25	114.50	115.75
Clariant R	680	640	645	652
Crd Suisse Gp R	207	178.50	187	192.25
Ems-Chemie	7600	7315	7450	7450
Holderbank B	1398	1280	1300	1300
Liechtenst LB B	800	777	777	788
Nestle R	2879	2710	2720	2765
Novartis B	2307	2245	2251	2267
Novartis R	2300	2240	2262	2257
Oerlikon Buehr R	170	158.75	161.50	163
PharmVisn B	932	921	923	920
Pirelli R	350	320	331	316
Richemont A	1830	1780	1825	1807
Rieter Hdgs	875	837	837	840
Roche Hdg PC	15845	15250	15250	15500
SAir Group R	332.50	300	300	317
Saurer R	970	850	920	840
Schindler PC	1600	1546	1546	1570
SGS B	1108	1030	1030	1051
Sulzer R	730	701	720	710
Sulzer Medic R	264.50	245	249.25	255.50
Swatch Group B	859	811	811	830
Swatch Group R	208.50	201	204	205.75
Swiss Life B	896	854	863	883
Swiss Reins R	3124	2880	2924	2990
UBS R	437	365	365	409
UBS SIMA	258.50	256.50	258	258
Zurich Assur R	825	770	825	767

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هكذا من الأصل

NYSE

Thursday's 4 P.M. Close

The 2,600 most traded stocks of the day.
Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

12 Month High	12 Month Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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Continued on Page 22

Indonesia's B…
Struggle to Su…

Indonesia's Banks Struggle to Survive

By Mark Landler
New York Times Service

JAKARTA — When Indonesia's economy began collapsing in August 1997, Rudy Ramli, president of Indonesia's fourth-largest private bank, gathered his top lieutenants for a pep talk. "If everybody is going to die," Mr. Ramli said, "we want to be the last ones to die."

Today, Mr. Ramli's bank, Bank Bali, is clinging to life, although he acknowledges that it is being strangled by bad loans and will need an infusion of capital from outside investors to stay afloat. What sounded alarmist in the summer of 1997 seems merely realistic in the autumn of 1998.

Bank Bali's woes illustrate just how thoroughly the Asian economic disaster has wrecked Indonesia's banking system. The vast majority of the country's 240 banks are insolvent — relics waiting to be taken over by the state or simply shut down. Even the few well-run banks, such as Bank Bali, have been infected by the disease, trapped by suffocating debts, a collapsed currency and social unrest that has led to panicky bank runs.

"Nobody trusts Indonesian banks," said Rizal Ramli, a prominent economist, who is not related to Rudy Ramli. "It is like we have no banks at all."

Having suffered along with its customers, Bank Bali is now pursuing what might be called a Depression-era strategy. It stopped lending to corporate and retail customers last November. Since then, the bank has done little other than husband its capital and try to convince people that it is a safe place to keep money.

The government, according to Rizal Ramli, has only made things worse, deepening public mistrust by dragging its feet in overhauling the banks.

Although Jakarta has moved toward agreements to bail out some of the largest bank owners, many have said Indonesia's president, B.J. Habibie, will have to take far more sweeping measures to clean up the entire sector.

These include closing numerous banks, forcing many others to merge and holding bank managers accountable for what turned out to be reckless lending.

As countries from Russia to Japan grapple with debt-ridden banks, Indonesia's halting efforts are instructive. While it is true that a banking overhaul here has been delayed by bureaucratic inertia and a reluctance to crack down on politically connected bank owners, the bigger problem may be that more than a year after its banks first ran into trouble, Indonesia still seems paralyzed by the scope of what has happened to its once-thriving financial sector.

Statistics tell the tale: More than 60 percent of loans made by Indonesia's banks are classified as nonperforming — meaning they will probably never be repaid. Of the more than 200 banks, analysts have said that perhaps 10 will emerge from the crisis intact. The total cost of bailing out the banks could reach $30 billion, an amount equal to 15 percent of Indonesia's gross domestic product.

In Jakarta's financial district, bank headquarters still line the streets, one-upping each other with gleaming facades and sumptuous lobbies. But the towers stand mostly empty, as their occupants have laid off employees or turned their operations over to the government's bank revamping agency.

Two decades ago, the banks in Brazil and Argentina were reeling under a similar combination of crushing debt and capital flight. But by liquidating hopeless banks, merging others and allowing foreign banks to take over local ones, Latin America was able to climb out of its debt crisis.

At Bank Bali, Rudy Ramli is determined to do whatever is necessary to survive. The bank's health is better than that of most of its peers: Its ratio of nonperforming loans is 48 percent, compared with a national average of 65 to 70 percent, and its deposits have actually grown in the last three months as people have switched money out of more troubled institutions.

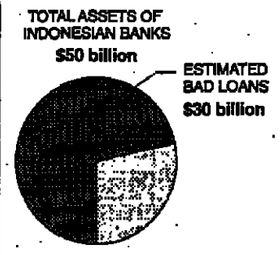
"Bank Bali is one of our favorite banks in Indonesia," said Roy Ramos, a banking analyst at Goldman, Sachs & Co. in Hong Kong. "It is well managed and professionally run."

Still, Mr. Ramli acknowledged that if Bank Bali were forced to mark down the value of all its nonperforming loans, the bank would be wiped out. Its deposits account for only 8 percent of its total assets.

"There's just no way we can survive without foreign money," said Mr. Ramli. "We have to negotiate, no matter what the price."

Dangerously in the Red

Indonesia's collapsing economy has left the overwhelming majority of its banks paralyzed, drowning under the weight of bad debts, a falling currency and social unrest that has led to panicky bank runs.



OVERHAULING THE BANKS	
Total Indonesian banks	240
Banks closed	26
Banks placed under direct government management	5
Banks placed under government oversight	32
Banks merged	4

NYT

Nissan to Sell Headquarters To Cut Debt

By Stephanie Strom
New York Times Service

TOKYO — Nissan Motor Corp., Japan's troubled No. 2 car maker, is selling its headquarters building in the Ginza district here, in another small step toward paring its mammoth debts.

The company is selling the building and the land under it to Mori Building Sangyo Co. and Mori Building Development Co., two privately held real-estate companies, for 14.6 billion yen ($106.6 million.)

Nissan will continue to occupy the building, which is across the street from another building housing a large showroom, under lease from Mori.

"It's a positive sign that they are willing to try to deal with their problems," said Christopher Redl, an automotive analyst at Morgan Stanley Dean Witter in Tokyo.

But the symbolism of the deal far outweighs its impact on Nissan's debt burden, which is expected to hit 4.3 trillion yen when the company's financial year ends March 31.

That amount is equal to 80 percent of the total Japanese defense budget, according to Mr. Redl.

The automaker, which posted losses in four of the last five years, has pledged to reduce the burden by 1 trillion yen over the next two years but so far has made barely a dent in its pile of financial obligations.

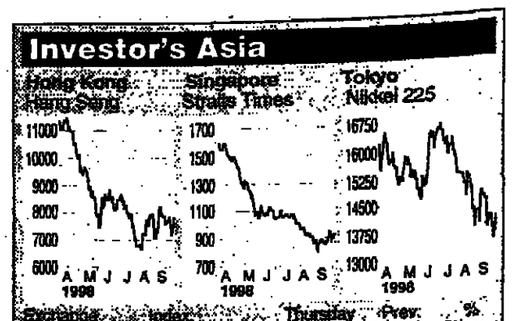
It recently sold its stake in an advertising agency, and the money gained from the sale of its headquarters building will cover only 0.3 percent of its total debt.

Nissan has been negotiating with Daimler Benz AG over the possible sale of its stake in Nissan Diesel, an ailing truckmaker, but those talks are moving slowly.

Still, Japan's banking crisis has increased the pressure on Nissan to try to reduce its debts quickly. Fuji Bank, one of its two biggest lenders, is in trouble, and analysts say foreign lenders probably would not advance money to the company on any reasonable terms.

The company also needs to sharply improve its efficiency by closing factories and cutting jobs, which is politically unpalatable in Japan. Its factories are running at less than 70 percent of their capacity.

Investor's Asia



Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong	Hang Seng	7,834.61	7,504.39	+4.40
Singapore	Straits Times	931.98	900.99	+3.44
Sydney	All Ordinaries	2,614.90	2,573.60	+1.60
Tokyo	Nikkei 225	14,205.79	13,799.81	+3.02
Kuala Lumpur	Composite	387.46	376.26	+2.98
Bangkok	SET	258.16	237.28	+8.17
Seoul	Composite Index	310.75	291.93	+6.45
Taipei	Stock Market Index	6,979.95	6,962.17	+0.26
Manila	PSE	1,228.25	1,168.69	+5.22
Jakarta	Composite Index	282.16	262.25	+7.59
Wellington	NZSE-40	1,736.48	1,700.22	+1.78
Bombay	Sensitive Index	3,225.39	3,135.42	+2.87

Source: Telekurs — International Herald Tribune

Very briefly:

• **Japanese** department store sales fell 4.3 percent in August against a year earlier, and supermarket sales dropped 3.7 percent, amid the country's recession. Department store sales fell 3.8 percent in July, while supermarket sales slipped 1.4 percent.

• **All Nippon Airways Ltd.** is selling its two U.S. hotels, in Washington and San Francisco, to **Rowe Enterprises** of Los Angeles. The airline, which is streamlining its overseas hotel business, expects a 5 billion yen ($36.8 million) capital gain.

• **NTT Docomo's** initial public offering has been tentatively priced at 3.3 million yen to 4.3 million yen per share. It is the mobile telephone arm of **Nippon Telegraph & Telephone Corp.**

• **Daihatsu Motor Co.** will double its stake, to 40 percent, in a joint venture with the top Indonesian automaker, **PT Astra International.**

• **The World Bank** is giving **Indonesia** monetary and strategic assistance in anti-corruption efforts. Its initiative follows the publication of an internal memo that said graft had waylaid 20 percent to 30 percent of the approximately $30 billion in its project loans there over 27 years.

• **The Singapore International Monetary Exchange** is deferring the introduction of its **Malaysia** stock index futures contract next week, following Kuala Lumpur's imposition of currency controls. Prime Minister Mahathir bin Mohamad said that in the first three weeks after the unveiling of the controls, Malaysia's foreign reserves increased by $90 million.

• **Malaysian** first-half home sales fell 34 percent against the first half of last year, as potential buyers deferred purchases amid rising borrowing costs and job insecurity. The government said sales would not recover until the second half of next year.

• **Hyundai Group** is seeking to acquire the power generating business of rival **Hanwha Energy Co.**, which has canceled a deal to sell the operations to **AES Corp.** *AFP, Bloomberg, Reuters*

Indonesia to Open To Foreign Airlines

Agence France-Presse

JAKARTA — President B.J. Habibie plans to open Indonesia's airline industry to competition, allowing foreign airlines to fly anywhere in the country, the state-run Antara news agency said Thursday.

Mr. Habibie said the move was being made to help the tourism industry overcome the crippling impact of the country's economic crisis, but he gave no further details.

Foreign airlines have so far been limited to several "entry gates," mostly large cities.

Japan Opposition Rejects Bank Plan

The Associated Press

TOKYO — The largest opposition party rejected the government's latest proposal on banking reform Thursday, leaving the two camps split despite pledges to cooperate to resolve the nation's banking crisis.

Naoto Kan, leader of the Democratic Party of Japan, said his party would not accept the governing party's plan to use 17 trillion yen ($125 billion) in public money to protect depositors at faltering banks.

Mr. Kan, speaking after a gathering of senior party members, said parts of the proposal were inconsistent with a "basic agreement" on banking reform reached by the two sides last week.

He did not elaborate on which parts were inconsistent. But the plan did not specify under what terms the public aid would be provided, and the opposition has demanded that the aid be accompanied by more stringent disclosure requirements for failed banks.

The repudiation of the plan comes amid intense political jockeying over the details of a vaguely worded pact reached last week to deal with a banking industry awash in about $1 trillion of bad loans.

Earlier, Prime Minister Keizo Obuchi pledged to work out a compromise over the fate of the ailing Long-Term Credit Bank of Japan.

South Korea Unveils Crisis Budget for '99

Agence France-Presse

SEOUL — South Korea on Thursday unveiled a crisis budget for 1999 that increases state spending by 6.2 percent while widening the deficit in an effort to bolster the economy and ease soaring unemployment.

The cabinet approved a budget of 85.8 trillion won ($62 billion) for next year, the Budget and Planning Commission said. The budget deficit will rise to 22.1 trillion won or about 5 percent of gross domestic product to pump more funds into the flagging economy.

AIRLINE: *Manila Skies Clear*

Continued from Page 15

airlines were arranging to lease planes from Philippine Airlines.

But analysts warned that an overly rapid expansion could create safety hazards. Several Air Philippines planes have already been grounded because of government concerns about maintenance standards. And in February, a Cebu Pacific DC-9 crashed into the side of a mountain, killing all 104 people aboard.

Analysts also noted that some of PAL's domestic routes were unprofitable and were maintained only because of an agreement between the airline and the government. If the government wants to continue serving remote or outlying islands, they said, it may have to subsidize those routes.

Though the collapse of PAL will have less of an impact on international air travel, its loss will still be felt. Singapore Airlines has already doubled its economy-class fares between Singapore and Manila to capitalize on the exit of its only competitor on that route. Cathay Pacific Airways, which serves the heavily traveled Hong Kong-Manila route, said it would not immediately lift fares.

Mr. Antonio said the government was also encouraging foreign carriers to increase their flights to the Philippines.

Some analysts said that having no flag carrier was better than having a second-rate one. "It may have been the first airline in Asia, but it was carrying a lot of excess baggage," said Jim Eckes, an aviation consultant at Indaswiss Ltd. in Hong Kong. "It just has never been well managed, from the Marcos era on."

The allure of owning a flag carrier has fueled rumors that Philippine Airlines may be sold to another foreign carrier. Mr. Estrada told Bloomberg News that three airlines had already expressed interest: Northwest Airlines, Cathay Pacific and Eva Airways of Taiwan.

"I'm not convinced we've seen the end of PAL," said Peter Negline, an airline analyst at Salomon Smith Barney in Hong Kong.

If Philippine Airlines is not resurrected by a white knight, its creditors could face a protracted and messy fight to get their money back. Bankruptcy law in the Philippines is not as developed as that of other countries and PAL is the biggest corporate failure in the country since the onset of the Asian financial crisis more than a year ago.

The company has suspended payments on its $2.1 billion in debt for two months. When it resumes payments, analysts said, the line of creditors will include local and foreign banks, plus export-import banks in the United States and Europe. Because the company's debts are as large as its assets, analysts said the creditors could wind up dickering over planes and other assets.

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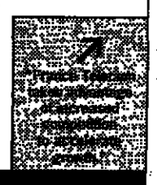
1998 FIRST HALF RESULTS

France Telecom, 1998 First half results



	June 30, 1998
Consolidated revenues	77.9
EBITDA	29.2
Consolidated operating income before special items	14.3
Net income	7.6

France Telecom is one of the world's leading telecommunications operators and ranks prominently among the French listed companies.
The Company has one of the most modern and extensive networks in the world.
France Telecom is continuing to broaden its international scope with the prime objective of strengthening its presence in Europe.

The first half of 1998 was marked by increased growth in total telephone traffic, mobiles, data transmission and Internet use all in the context of full competition.
France Telecom focussed its efforts in the first half of 1998 on benefitting from increased competition. The second characteristic in the first half of 1998 was European expansion, which exceeded forecasts. In Italy, in Switzerland, in Spain and in Portugal, France Telecom seized the opportunities offered by both fixed-line and mobile telephony services, often alongside its partner, Deutsche Telekom.
For the second half of 1998, France Telecom expects international activities to continue to increase due to additional investments made in El Salvador and Senegal.
Mobile telecommunications will continue to grow at a fast rate and this activity should be increasingly profitable as the market grows. Finally, the Internet is expected to continue its exponential growth.

First Half Revenues rose to FF 77.9 billion, a 3.5% increase compared to the first half of 1997. After the decline in tariffs over the past two years, this increase is noteworthy and stems from a combination of the following factors:

• **Increased overall telephone traffic: objective achieved**
Total telephone traffic rose 8.9% in the first half compared with 6.6% in 1997.

• **The explosion in mobile telecommunications services**
Revenues from mobile telephones increased 47.7% in the first half of 1998. The number of mobile suscribers passed the 4 million mark in July 1998. The target of five million subscribers, initially set for 2000, could be achieved as soon as year-end.

• **Expanding data transmission services**
Spurred by Internet, revenues from leased lines and data transmission services rose more than 13% in the first 6 months of 1998. The volume carried over Internet alone quadrupled and Wanadoo surpassed 300,000 subscribers in July.

• **Faster expansion in Europe**
Consolidated revenues from activities outside of France rose 37% during the first half owing to growth in mobile telecommunications usage. This was despite the deconsolidation of the mobile service marketing activities in Germany but includes the consolidation of CI Telcom in the Ivory Coast and Casema BV in the Netherlands.

The growth strategy affected operating income before special items and net income. Operating income before special items was FF 14.3 billion in the first half of 1998 compared to FF 16.6 billion in the first half of 1997. Net income amounted to FF 7.6 billion compared to FF 8.9 billion the year before. As forecast, the following factors had a strong impact on 1998 first half results:
- Successive tariff cuts made in 1997 had their full effect in the first half, but they should have less of an effect in the second half of 1998; and
- Investments linked to infrastructures and required by growth in mobile telecommunications. The infrastructure in France was largely completed in the first half of 1998 and France Telecom's mobile network now covers 97% of France's territory. Furthermore, expanded international operations, particularly in mobile telecommunications, required additional investment and marketing efforts during their start-up phase which had a negative impact on income.

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INTERNATIONAL INVESTING

Not So Fast, Economists Say Amid U.S. Clamor for Rate Cuts

By Michael M. Weinstein
New York Times Service

NEW YORK — Everybody seems to want U.S. Federal Reserve policymakers to cut interest rates when they meet next Tuesday. And why not? With financial chaos sweeping through Asia, Russia and now Latin America, a rate cut would seem a smart inoculation against recession for the domestic economy.

That is certainly the view of the Business Roundtable, a group of corporate leaders, as it vigorously lobbies for the Fed to cut the cost of borrowing for American businesses. Lower rates also would help individual debtors as well as countries saddled with loans that must be repaid in dollars.

Chairman Alan Greenspan, in congressional testimony Wednesday, encouraged investors to anticipate a small cut when he said that "deteriorating foreign economies and their spillover to domestic markets" were slowing the U.S. economy and tilting the Fed's concern from worrying about inflation to worrying about recession.

Yet, true to their reputations for spoiling a party, many economists side with Allan Meltzer, a professor of economics at Carnegie Mellon University, who labels a rate cut premature.

At most, they say, a plausible case can be made for a middle ground — a small, symbolic cut next week that would not, unless conditions drastically changed, be followed by additional cuts. But there is no compelling economic case yet for a prolonged easing of credit by the Fed.

NEWS ANALYSIS

The talk of a rate cut starts with the fact that a quarter of the world's population is mired in recession or worse. Investors, with a self-fulfilling fear that a country is about to devalue or run out of reserves, flee with dollars that the country cannot afford to cough up. Even the Japanese economy, the world's second-largest, has slipped into recession this year. Brazil, the ninth-largest economy in the world, flirts with its own financial crisis.

The impact is already being felt in the United States. Exports are dropping, as are commercial-property prices, corporate profits, housing starts and consumer confidence, a harbinger of consumer spending. Major American banks and investment firms are announcing big overseas losses, which might force them to retrench on domestic as well as international lending.

Those who favor rate cuts say such action could mitigate these recessionary shocks by encouraging consumers and businesses to spend more and could help nudge down interest rates elsewhere, easing the burden on debtor countries and encouraging international investors.

But Mr. Meltzer of Carnegie Mellon says the economic blows to the United States are "little more than rumor."

The groups that are "screaming the loudest for rate cuts," he says, are the same ones that "yelped for the Fed to keep its hands off the economy" when Mr. Greenspan cautioned against "irrational exuberance" in the markets last year. "In fact," he says, "the economy is strong and needs no help from the Fed."

Mr. Meltzer points to the lowest unemployment rates in three decades, brisk retail sales and housing starts that, though they dropped last month, remain about 16 percent above last year's levels. Business investment is more than 15 percent above last year's levels, and stock prices, though well off their summer peaks, remain high by many measures.

Mickey Levy, economist at Nationsbanc Montgomery Securities, said: "Falling oil prices, interest rates and ample growth of the money supply provide for healthy growth of the economy. If the Fed eases anyway, it could create inflationary pressures down the line."

What would persuade these economists to support rate cuts? Concrete evidence that prices are falling or that bank reserves are dipping to dangerous levels, threatening a credit crunch. Neither is true. Wages, the primary component of prices, are rising at a 4 percent annual clip. And bank capital, according to David Hilder of Morgan Stanley Dean Witter, is substantial — by his estimates about 30 percent above the levels recommended by regulators. Banks have enough reserves to absorb substantial losses from investments in Asia and other trouble spots without cutting off domestic borrowers.

Mr. Levy supplies another reason for the Fed to refrain from repeated rate cuts. "They solve no big problem and in places abroad threaten to do more harm than good," he said. Rate cuts cannot help Russia, whose problems are rooted in corrupt and incompetent government policies, or Japan, whose banks are buried in loans to bankrupt companies.

The major problem abroad is psychological, argues Alan Blinder, an economics professor at Princeton and former deputy chairman of the Federal Reserve Board, who is an unapologetic liberal and a self-proclaimed "inflation dove." He has consistently advocated looser monetary policies than most of his colleagues deem prudent. Yet even he rejects calls for steep rate cuts now.

"The United States is one of the few places on Earth that does not need a monetary boost now," Mr. Blinder said, "and the Fed should divert its focus on the needs of foreign economies only with the frequency of 50-year hurricanes."

Instead, Mr. Blinder makes a case for taking a half step. The problem abroad, he says, is a "crisis of confidence that has one investor's fear feed on another's." It is plausible, he says, "to address a fear that is at its root psychological with symbolic measures."

Specifically, the Fed could — ideally in cooperation with a reluctant Germany — cut rates by a small amount, say, a quarter or perhaps even half of a percentage point. Such amounts, he admits, are too small to do much good but also too small to pose a serious inflation threat if the economy remains strong. The act would send a signal to investors that the Fed is prepared to step in as needed to keep financial markets on an even keel.

The question, then, is whether the Fed also is contemplating only a rate cut to calm jittery investors or a prolonged strategy to ease monetary policy.

A Primer on the Private Language of Global Traders

Reuters

LONDON — If you're hoping a dead-cat bounce will recover some losses from double-witching so you can take profits and short a loonie, then chances are you are a top trader in the financial markets.

But if that sounds like gobbledygook, then you had better study up on the professional parlance if you want to break into the exclusive world of global investment firms.

"It's almost like being a member of a club or something," said Patrick Foley, chief economist at Lloyds Bank in London, "and you are not in unless you can understand these terms.

"So it gives people who do understand them an incentive to speak in jargon."

Many people may have no idea that a dead-cat bounce is a slight rebound in the falling price of a stock, currency or market index.

But using nicknames, such as naming the Canadian dollar after the loon, the waterfowl that appears on the one-dollar coin, is not just a clubby means of limiting the small circle of high-flying moneymakers in places such as the City of London and Wall Street in New York.

Top traders use jargon to cut down on the time it takes to explain a complicated transaction in an environment where millions of dollars are won and lost in seconds.

"Certainly the more explicit people can be in terms of what they want to do, the better it is," said Conor Dufficy, head of European foreign exchange at Bank of America in London. "We've had numerous occasions where people don't use the correct terminology and it costs the bank money."

Traders buying or selling pounds for U.S. dollars, for example, call that pair of currencies "cable" to distinguish it from trades involving pounds and other currencies, such as the Deutsche mark.

The pairing was so named because transactions in the two currencies used to be made by way of a London-New York telegraph cable lying under the Atlantic.

Numbers can also be confusing in the markets when dealers are trying to work out the meaning of billions and millions. Traditionally, 1 billion in Britain was the number represented by 1 followed by 12 zeroes, or a million million. In the United States, this would be a trillion, and 1,000 million is a billion. To avoid confusion, foreign-exchange dealers call $1 billion a "yard" and $1 million a "dollar."

"Very rarely will someone ask for a billion, they will say, 'Give me a yard of yen or a dollar of marks,'" one foreign-exchange salesman at a major U.S. bank in London said.

Technical analysts, who pore over graphs of a currency's or a stock's past movements searching for clues to plot its future, pay attention to formations on the charts such as the "hanging man," "bull flag" or the dreaded "fifth wave."

The hanging man, a pattern resembling a child's drawing of a stick man hanging from a rope, would prompt a technical analyst to warn investors that a rapidly rising currency could be headed for a nasty fall.

"If you see that in an uptrend," said Alan Dunne, a technical analyst at Bank of America in London, "it's a potential reversal pattern."

The fifth wave comes from the Elliott Wave, an investing theory set out in 1946 by the accountant Ralph Nelson Elliott. The fifth wave is the final rising trend of an investment before it turns downward for a series of three falling waves. His theory is widely used by technical traders and market analysts to pick out rising and falling trends in the market.

Professional stock traders use the term "double-witching" to describe the day when two different types of contracts in the derivatives market expire.

The often mystifying derivatives market is awash with complicated formulas represented by real and some not-so-real Greek letters.

Derivatives were originally designed as a means for companies to limit the vulnerability of their profits to price and exchange-rate changes in the time it takes for sales and purchase contracts to be fulfilled. Traders apply complicated formulas to quantify the risk of insuring such contracts against price moves in anything from pork bellies to Spanish pesetas.

One of those formulas is known by the Greek letter gamma. It measures the rate of change of a derivatives portfolio and becomes a crucial financial instrument to own during uncertain times in financial markets.

Very briefly:

- **U.S. stock funds** fell 13.1 percent on average in the third quarter, as of Sept. 21, erasing all gains from the first half of the year, according to researchers at Morningstar Inc. The last time these funds did so poorly was the third quarter of 1990, when they fell an average 14.6 percent. Another quarter when losses were so big was the fourth quarter of 1987 when the market crashed and stock funds plunged 19.7 percent.
- **ING NV** remains committed to buying a U.S. asset manager, although prices are currently too high and no candidates have been lined up at this time, Alexander Rinnoy Kan, ING's head of asset management said. "Right now there are no interesting opportunities," Mr. Kan said. Acquisitions in Europe are also "very much on the agenda," he added.
- **Coutts Bank**, the international private banking arm of NatWest Group, said it was expanding in Asia and offering clients a diversification strategy amid the region's economic slump. Coutts is recommending Asian investors follow a defensive strategy and that a model portfolio with a three- to five-year time horizon should have 60 percent held in cash and fixed-income paper and 40 percent in equities.
- ***Robertson Stephens* Investment Management** said it would liquidate its $8 million **Robertson Stephens Developing Countries Fund**, the Wall Street Journal reported. One executive at the firm, based in San Francisco, expects the liquidation to occur in about six weeks, the report said.
- **U.S. securities firms** are expected to report that third-quarter profits fell by about 34 percent for their worst showing in years, gouged by trading losses in emerging markets and falling fees as underwriting slumped. Eight of the biggest brokerages are expected to report total earnings of $1.93 billion for the period, down from $2.95 billion in last year's third quarter, according to Bloomberg Financial markets and estimates from First Call Corp.
- **Friedman Billings Ramsey Group Inc.**, the investment banking firm in Arlington, Virginia, that shot to prominence by managing more new stock issues than all but a handful of major Wall Street firms, said that it suffered more than $35 million in stock market losses in the past three months.

Bloomberg, Reuters, WP

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INTERNATIONAL INVESTING

In a Turbulent Market, the Cautious Seek Refuge in Utility Stocks

JAMES K. GLASSMAN ON INVESTING

WASHINGTON — Despite Wall Street's resurgence this week, this is no time for complacency. Instead, you should be working to cushion your portfolio against future shocks.

How? Try utilities. Not go-go telecommunications, but the plodders that provide you with heat and electricity.

Until very recently, these stocks received little attention from investors. But the fact that they are awfully boring is one reason you should consider owning them. Another is that a new, deregulated era is starting, and some electric companies may soar in the liberation, the way that some telecommunications stocks have done in the past. The final reason to like utilities is that they have been going up while other stocks have been going down.

For example, while the Dow was crashing 513 points on Aug. 31, only 15 stocks on the New York exchange managed to hit new highs. Eight of the 15 were gas and electric utility companies.

Since the market peaked on July 17, the Standard & Poor's 500-stock index has fallen 10 percent, but the S&P utilities index has risen 5 percent. Since the beginning of September, Duke Energy Corp., one of the best-run companies in the industry, has jumped 14 percent, and FPL Group Inc., parent of Florida Power & Light Co., is up 12 percent.

That should really be no surprise. Bad times for most stocks are often good times for utilities. A study by Leuthold Group in Minneapolis found that electric companies rose in price or just about broke even in five of the past 11 bear markets. Another study, cited by John Rothchild in "The Bear Book," found that utilities beat the S&P 500 in 10 of the 11 bear markets. In 1981, for instance, utilities rose 23 percent while the market averages were down 19 percent.

Why do utilities go up while other stocks go down?

First, markets usually fall in anticipation of a slowing economy, but, unless there's a long and deep recession, utilities don't suffer much. Consumers keep their air conditioners running, and businesses keep the lights on.

Second, an economic slowdown often means lower interest rates, and utilities are huge borrowers, so a major expense of theirs is reduced and their profits rise.

Third, utilities become attractive to investors in a bad market for the same reasons they're shunned in a good market: They just plod along, making a little money. This new demand lifts prices.

Fourth, utilities pay healthy dividends, and when stock prices fall, investors realize just how important regular quarterly payouts can be — here, at least, is some money to tide them over while the market recovers. Again, more demand and higher prices.

The 37 stocks in the S&P utilities index, for example, currently sport a dividend yield of 3.9 percent, compared with just 1.5 percent for the stocks in the S&P 500, which reflects the broad market.

Some utilities pay far more. Cinergy Corp., a Midwest utility that Robin Diedrich, an analyst at Edward Jones & Co., ranks a "strong buy," has a yield of 5 percent. Southern Co., parent of utilities in Alabama, Georgia and Mississippi, yields 4.6 percent.

Potomac Electric Power Co., the Washington-area utility has a payout of 6.5 percent. But don't get too excited. Remember that dividends aren't guaranteed — and with utilities, increases are far less frequent or vigorous than with other stocks. Potomac Electric, for example, has been paying $1.66 a share annually since 1994, and as long ago as 1989 it was paying $1.46.

Another concern is that utilities aren't necessarily the stable businesses they used to be. Deregulation is sweeping the country. Under new rules, consumers will be able to choose their electric company the way they now choose their long-distance telephone company.

That sounds great for consumers — and for utilities with a passion for cost-cutting and marketing. But many of these companies, buffered for so long against competition, will suffer in the new environment.

These factors make investing in utilities both difficult and potentially rewarding. Some companies will win big.

The most aggressive player in this new arena is Enron Corp., whose main business is supplying natural gas to companies that generate electricity. Enron has bought Wessex Water PLC of Britain and now runs energy projects in more than a dozen countries. But Enron is not a typical utility. It pays a dividend of 1.8 percent and carries a lofty price/earnings ratio of 25.

Among more conventional companies, the analysts at Salomon Smith Barney make Duke of North Carolina their top pick. Duke also owns PanEnergy, a natural-gas pipeline operator, and is expanding worldwide.

Highest-rated by Value Line Investment Survey is Energy East Corp. of New York state, which is up 40 percent this year while carrying a decent yield of 3.2 percent.

It's not easy to pick utilities, so you have two choices: Diversify yourself with four or five in different parts of the country or buy a utility mutual fund. The problem with the latter approach is that utility funds are often larded with telecommunications stocks, many of them high-fliers rather than plodders.

That's certainly the case with MFS Utilities (telephone number within the United States: 1-800-637-2929), which is rated highest by Morningstar Inc. MFS's holdings include MCI WorldCom Inc., the Internet and long-distance company, and Telebras SA, the Brazilian phone company.

A better choice, if you want heavier coverage of electric and natural-gas utilities, is Vanguard Special Utilities (1-800-662-7447), which has returned 23 percent over the past 12 months, compared with 14 percent for the MFS fund.

German Prospects

WASHINGTON — Think U.S. stocks have been clobbered? Look at Germany. The DAX index has rebounded in the last couple of days, but it's still down more than 20 percent in just two months. Some of the decline may have resulted from fears that Chancellor Helmut Kohl, a conservative, would lose to Gerhard Schroeder, a Social Democrat who is unlikely to cut taxes or regulations.

But Mr. Kohl could yet pull it off. Still, you don't have to know German politics to believe in excellent German companies such as Volkswagen AG, Bayer AG, Bayerische Motoren Werke AG and Adidas-Solomon AG, the sportswear maker whose shares have dropped by half since June.

— JAMES K. GLASSMAN

Coke, Implying Bad News, Schedules an 'Earnings Update' Talk

By Constance L. Hays
New York Times Service

NEW YORK — Coca-Cola Co. executives have summoned Wall Street analysts for a hastily scheduled meeting Friday morning in New York, suggesting that the world's leading soft-drink company is about to deliver bad news about earnings.

Coke makes most of its money overseas, where economic crises have ravaged the earnings of many companies.

The Atlanta-based company declined to comment on the substance of the meeting, other than to call it "a volume and earnings update for the third quarter and the full year."

But it is the first time that Coke has organized an analysts' briefing on such short notice — analysts were called Tuesday — and it will be its the first briefing since the economic crisis now afflicting Asia, Russia and Latin America began more than a year ago.

Things are already at a relative low point for Coke; many analysts have reduced their forecasts for its sales volumes and earnings over the last few weeks, and its share price has plummeted from a mid-July high of $88.9375 to $57.25 in afternoon trading Thursday, down 75 cents on the day.

In addition, the company was dealt a setback last week by the French government, which rejected Coke's plans to buy the Orangina brand from Pernod Ricard SA.

Questions about Coke's profitability have intensified as economic problems overseas have worsened. Will key Latin American markets, such as Mexico, be the next to fall? Is Eastern Europe, in the shadow of the stagnant Russian economy, about to unravel?

How bad will sales be in Japan, where they were off 3 percent in the second quarter? How much of all this already is reflected in Coke's stock price?

Gillette Co. and Procter & Gamble Co., two consumer-products giants often mentioned in the same breath as Coke, issued warnings about their earnings recently, further raising speculation about what Coke executives might say Friday.

"The chances are good that we are going to see them guide near-term estimates lower," said Marc Cohen, a beverage analyst for Goldman, Sachs & Co. He added that he thought the company would also offer encouragement that the fundamentals for a good long-term performance remained intact.

> "We had anticipated moderation, but it has moderated more than we thought it would."

Mr. Cohen said he expected Coke executives to forecast sales growth of 5 percent to 6 percent for the third quarter, compared with 9 percent to 10 percent in the first half.

"We had anticipated some moderation, but it has moderated more than we thought it would," he said.

Jennifer Solomon, a beverage analyst for Salomon Smith Barney Inc., who downgraded the stock from "buy" to "hold" 13 months ago, said, "They are certainly going to have to give some guidance on earnings, and they may just confirm what's out there."

At the very least, the meeting, with Coke's chairman and chief executive, M. Douglas Ivester, and the company's chief financial officer, James Chestnut, is expected to focus on how Coke, which last year collected two-thirds of its profit outside the United States, plans to navigate this latest downturn.

Coke has shown skill at running its business in individual countries despite local economic problems — the Mexican peso crisis in 1994-95, during which Coke proved itself better-equipped than some local brands to withstand the pressure and wound up with more market share, is often cited. But the current challenge is greater.

"These are macroeconomic factors that they have to manage through," said Doug Lane, a beverage analyst with Merrill Lynch & Co., "and they've never had to do it on such a broad-based scale. That's what's different this time."

Mr. Lane said Latin America, where Coke made about 17.5 percent of its profit last year, was already starting to show signs of a slowdown in its consumption of Coke products.

In Mexico, he said, sales were still strong, but he expected them to slow. On Wednesday, Merrill Lynch lowered its rating on the main Coke bottler in Mexico, Coca-Cola Femsa SA, from "buy" to "neutral."

Mr. Ivester and Mr. Chestnut are expected to reiterate Coke's longtime position that economic downturns present investment opportunities for the company around the world and that Coke is generally planning more for the long term.

But Bill Pecoriello, an analyst with Sanford Bernstein & Co., said the picture may become bleaker once additional factors were included. Much of the downgrading so far, he said, has come from concerns about currency devaluations that hurt multinational companies' earnings when they are converted back into dollars.

"Now, what you're talking about is revisions related not only to falling sales volume but also increased sales expenses," he said.

"They are not reducing the market spending in the short run, which means you are spending more than you would have per unit had the volume not decelerated."

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12 Month High	12 Month Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Chge
		A-B-C								
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12 Month High	12 Month Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Chge
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12 Month High	12 Month Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Chge
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12 Month High	12 Month Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Chge
		M-N-O								
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12 Month High	12 Month Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Chge
		P-Q-R								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

12 Month High	12 Month Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Chge
		S-T-U								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

12 Month High	12 Month Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Chge
		V-W-X								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

12 Month High	12 Month Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Chge
		Y-Z								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NYSE

Thursday's 4 P.M. Close

(Continued)

12 Month High	12 Month Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

هكذا من الأصل

BUSINESS LOCATION: VIENNA

THE ELECTRONIC HUB OF CENTRAL EUROPE'S INFOBAHN

Vienna's experts in electronic information networks are a valuable resource for the city's business and international community.

Nearly all of the world's major companies are setting up electronic data interchange (EDI) networks and linking the computers and databases of their international offices, suppliers and customers into single on-line grids.

The networks are comprised of several nodes, generally one to a continent or a region. Each has been charged with an important responsibility: routing the vast traffic in documents, voice communication, faxes and e-mails zipping their way through the proprietary network and the rest of the electronic world.

E pluribus unum

The first part of setting up such networks is easy. A few new high-powered servers are carted into the headquarters building.

The next step is challenging. Network experts arrive to start the complex work of patching what is usually a set of heterogeneous information systems into a single network capable of functioning in various languages, currencies and programs.

The capacity to set up and manage such systems is a significant selling point for cities, such as Vienna, seeking to serve as headquarters for multinational corporations and international organizations. Some 3,000 companies have set up headquarters in Vienna, more than one-quarter of them foreign-owned.

Vienna is able to serve such companies as an electronic hub because of the city's large ICT (information and communication technologies) cluster of companies, self-employed professionals, and university and nonuniversity research and development institutes.

Vienna's concentration of communications and Internet companies is "the largest in Central Europe," says Brigitte Ederer, the city councilor in charge of administering finances.

"Each of these companies employs and works with a large number of network specialists, and each of them maintains its own proprietary on-line network," adds Ms. Ederer, who is also president of the Vienna Business Agency.

Specialists the key

Says Klaus Fischbacher, managing director of the Vienna Business Agency: "The presence — or lack — of these specialists is a major criterion used by multinational corporations in deciding which of their cities of operation are elevated into being an electronic hub. If you look at our multinationals — which include everyone from Compaq and Platinum Technology to Hewlett Packard and Eli Lilly — you'll see that they all operate full-fledged EDI networks in and from the city, and that much of the work done in setting them up was carried out in the city itself."

Wolfgang Haller, a member of Bank Austria's executive board in charge of technology and computer services, says "For Bank Austria, as is the case with many of today's banks, EDI systems have become an essential marketing tool, a profit center and the best way of achieving cost-efficiency in our wide-ranging network of offices. Carried out on a Central Europe-wide, and in many cases worldwide, scale, the provision of EDI-related services and the transmission of data are managed by and from our central computing facilities in Vienna and operated by a dedicated subsidiary."

Electronic community

At latest count, 15 telecommunications and other general access network operators had set up shop in the city. Together with the city's communications equipment manufacturers and related services providers, they employ 18,000 people.

That count does not include the hundreds of people working for the 25 Viennese companies specialized in designing Web sites and starting up intranets for corporate customers. Nor does it include the people working for the hundreds of computer hardware and software companies in the city.

The local business community is not the only employer of the city's network experts, however. Vienna-based OSIconsult, for example, founded in 1993, set up one of the most complex EDI systems around, the satellite-based router network of the United Nations Environment Program. The environmental data routed by the network circulates among hundreds of individual agencies, located in virtually every nation in the world.

Another fast-rising Viennese company, Servo Data, specializes in serving insurers and banks based everywhere from Vienna to New York. Servo Data's specialty is EDI networks that provide fail-safe, invader-proof operating security.

Making sense of data

In securing patronage from international agencies and corporations, the Viennese experts had a trump card to play: their expertise in creating "data mining" applications, according to Johannes Mayer, a network expert and head of public relations at the Vienna-based Austrian Federal Environment Agency.

"Environmental information, to give one example, is maintained in highly heterogeneous forms in EDI databases," he says. "Programs capable of identifying and setting up links among the individual pieces of information are needed so that the user can 'mine' comprehensive answers from the database. Formulating and deploying such data mining programs is becoming a specialty of Vienna, as THESmain [Thesaurus Maintenance System] shows."

THESmain is the ultimate tool for retrieving information in various languages. It sets up and maintains interactive dictionaries of terms or technical descriptions. Available since 1997, THESmain has capacities limited only by the amount of storage space available on the customer's hard disk. A typical THESmain thesaurus features up to 30 individual languages.

Originally developed by an Austrian-led international team for use in the environmental sector, THESmain is now increasingly finding applications throughout the world's business and cultural communities. "As a matter of fact, the Paul Getty museum in Los Angeles is currently testing THESmain," says Konrad L. Zirm, head of information technologies at the Federal Environment Agency.

"It's only natural that Vienna would supply software enabling multilingual communication," says Walter Nettig, the president of Vienna's Chamber of Commerce.

"Thanks to its history and its geographical location, Vienna is polyglot — in all senses of the word." ●

Vienna's cluster of information and communications technology companies, self-employed professionals, and research and development institutes is Central Europe's largest.

DOING BUSINESS IN VIENNA: CASE STUDIES

Opel turns out 500,000 motors a year at Aspern.

General Motors

General Motors has long been one of the powerhouses of Vienna's manufacturing community. In 1982, its subsidiary, Opel Austria GmbH, put its production facilities in the city's Aspern district into operation. Since then, according to Christian B. Grohmann, spokesperson for the company, Opel has invested a total of 22.4 billion schillings ($2 billion) in Aspern. Of that, one-third — 7.5 billion schillings — came in 1997 alone.

Today, Aspern turns out up to 500,000 motors, one million transmissions and 400,000 cylinder heads a year.

Mr. Grohmann explains why Opel has consigned such a massive amount of investment capital to the city.

"Our follow-up investment was occasioned by what we've experienced during our 16 years of operation in Vienna. Our workforce has proven itself capable of implementing high-speed production processes, while adhering to the highest standards of quality, as have our highly reliable suppliers. Today, thanks to this adeptness and reliability, lean manufacturing and continuous improvement processes are the norm in Aspern.

"After 16 years of manufacturing motors and engines in Aspern, the workforce and management have a large store of specialized expertise in this area. Very good and productive working relationships exist between our workforce and our management on the one hand, and between our company and local and regional authorities on the other.

"A number of factors make investing in Austria as a whole quite appealing. Strikes are unknown in the country, which is marked by stable political and human relationships. Taxes are relatively low by European standards. There's a large stock of highly qualified and motivated people to recruit from. Thanks to the redrawing of Europe's political and economic map, Austria is more centrally located than ever before."

Eli Lilly

Eli Lilly, the Indianapolis-based pharmaceutical giant, relocated its headquarters for Central and Eastern Europe from Geneva to Vienna in 1997.

Eli Lilly's operations in Vienna have a three functions: Vienna is the base for Lilly's regional headquarters, the distribution of its wide range of products and its medical research center.

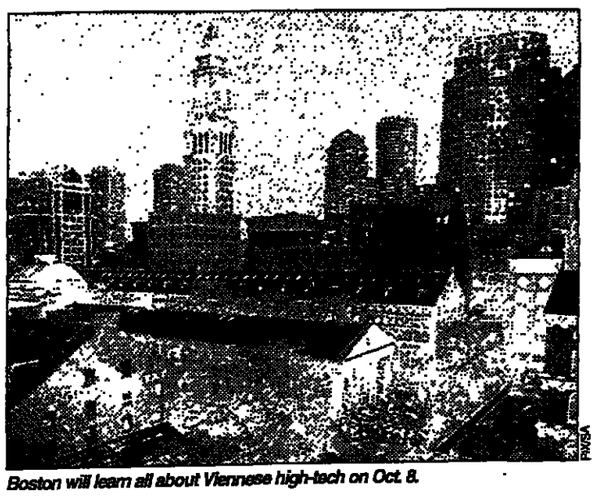
Founded in 1990, Lilly's Area Medical Center Vienna has a major responsibility: planning, coordinating and implementing research projects in 20 countries in Central and Eastern Europe, Central Asia, Northern Africa and the Middle East.

The center initiates and controls clinical trials involving 5,000 patients annually.

At the center itself, 45 staff members are engaged in ascertaining the effectiveness of the new medicines coming out of Lilly's pipeline and in making sure they are safe to use. The medicines are employed to treat diabetes, various kinds of cancer, disturbances of the circulatory and central nervous systems, and much more.

The Area Medical Center Vienna also maintains a special on-line medical information network. The network is used by doctors and scientists all around the world. They prize its speed of response, the result of the network's high degree of automation.

The pharmaceutical giant has moved its headquarters to Vienna.



Boston will learn all about Viennese high-tech on Oct. 8.

Vienna Goes Boston

Starting with "Good Morning, Vienna," a working breakfast that begins at 8:30 A.M. and ends some 16 hours later with a dinner ball, "Vienna Goes Boston" will introduce the city to corporate executives and other decision-makers in New England on Oct. 8.

The event includes presentations of the latest information technology and biotechnology from Vienna; testimonials from leading American companies as to why they set up production, research and distribution facilities in the city; and practical advice on how to invest in Vienna.

To register for the event, visit the Vienna Business Agency's Web site or contact the agency's representative office in Miami, FL:
Web site: http://www.wwff.gv.at
E-mail: viennabusinessagency@ecosusa.com
Tel.: (1 305) 789 6661
Fax: (1 305) 350 5657

AUSTRIA'S 'CAPITAL' SUCCESS STORY

Vienna has been the prime target of foreign investment into the country.

Austria's accession to the European Union in 1995 has brought the country a large number of benefits, reports the Viennese daily Der Standard. The country's rate of inflation has dropped dramatically, and, thanks to the eradication of administrative barriers, Austria has secured a record amount of inward investment. Joined by even greater amounts of capital from domestic sources, this inflow has been used to modernize many of the Austrian business community's production facilities, enhancing the business community's ability to compete on world markets.

Vienna has been the prime target of inward investment from abroad. In 1997, according to the Vienna Business Agency, some 60 percent of the 25.5 billion schillings ($2.1 billion) invested in Austria by foreign companies was received or relayed by the city's business community.

Making space for business

In 1997, the Vienna Business Agency facilitated 1.6 billion schillings in inward investment provided by 27 companies. The companies' new production, retailing, distribution and office facilities in Vienna occupy 128,000 square meters (1.4 million square feet) of usable space. Three-quarters of the space came from the agency's own portfolio of real estate. To assure an adequate supply for future demand, the agency is in the process of acquiring an equivalent amount of "fresh" property.

Through several venture capital funds, the Vienna Business Agency supports the start-up of high-tech companies and the deployment of advanced technologies in the city. All told, 552 start-ups and expansions received some 280 million schillings in 1997, enabling a total investment of 2.5 billion schillings.

On the road

The products and services provided by Vienna's business community are now well known on the world market, helped along by the many events staged by the Vienna Business Agency at international trade fairs and in major business centers. In 1997, the agency staged a total of 14 events outside Austria, and more than 30 inside the country. The non-Austrian events included seminars attended by potential investors (in Strasbourg, Warsaw and other cities) and presentations of Vienna's urban technologies in Hong Kong and Beijing.

In 1997, 1,200 companies and people used the services of the Euro Info Center, set up by the agency in 1995. The EIC supplies information on European Union tenders and investment support programs, and helps locate potential business partners. Over the last year, under the Vienna Business Agency's aegis, the EIC has put its EU-wide tender information on-line.

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ON THE WEB

Vienna Business Agency: http://www.wwff.gv.at
Information on setting up and doing business in Vienna.

Wien Online: http://www.magwien.gv.at/english/
The City of Vienna's Online Information Service has detailed, up-to-date information on business, government, culture and tourism. The site currently features information about the Austrian presidency of the European Union.

Vienna Stock Market: http://www.wbag.at/e_index.html
News, market information, statistics and more.

Eco Plus: http://www.ecoplus.co.at
Eco Plus, the regional development agency of Lower Austria, provides business information on the wider Vienna Region, which includes the provinces of Lower Austria and Burgenland.

Vienna Tourist Board: http://info.wien.at
Information on events and attractions, transport and accommodations.

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It was sponsored by the Vienna Business Agency.
WRITER: Terry Swartzberg in Munich.
PROGRAM DIRECTOR: Bill Mahder.

WORLD ROUNDUP

Heras Is Victorious

CYCLING Roberto Heras of Spain and the Kelme-Costa Blanca team won the 19th leg of the Tour of Spain cycling marathon on Thursday, pedaling past the finish line 30 seconds ahead of his nearest rivals.

The Tour's leader, Abraham Olano of Spain and the Banesto team, arrived along with the other favorites one second later, leaving the overall standings little changed with just three stages to go.

Heras covered the 170.4-kilometer (105.6-mile) run between the cities of Avila and Segovia in the mountains north of Madrid in 4 hours, 13 minutes and 26 seconds. The victory allowed Heras to jump up the leadership table to No. 5, although he remained over two minutes behind Olano.

Banesto teamwork ensured that Olano kept the leader's yellow jersey, 22 seconds ahead of Laurent Jalabert of France and the ONCE-Deutsche Bank team. *(AP)*

'Andro' Ads Are Pulled

Under criticism, the U.S. sports television network ESPN has stopped broadcasting ads for androstenedione, known as "Andro," the muscle-building supplement used by the St. Louis Cardinals' star slugger, Mark McGwire.

The National Collegiate Athletic Association and a national high school federation praised ESPN's decision and called on other networks to follow suit. The spots first appeared Tuesday on the network's "American Muscle" show.

"Given the debate in the medical and sports community, we decided for now not to run androstenedione ads," an ESPN spokesman, Mike Soltys, said. *(AP)*

Montgomerie Shines

GOLF Colin Montgomerie, seeking to become Europe's leading money winner for a sixth straight year, shot a 7-under-par 65 on Thursday to share the first-round lead at the German Masters in Cologne. The Scotsman had seven birdies and no bogies on a sunny, windless day at the $1.69 million event to join the PGA champion, Vijay Singh, and Van Phillips of Britain at the top of the leaderboard. *(AP)*

Red Sox Clinch Tie For Wild-Card Berth

The Associated Press

The Boston Red Sox clinched a tie for the AL wild-card berth, beating the Tampa Bay Devil Rays, 5-4, as Nomar Garciaparra hit a three-run homer to atone for his error that led to three unearned runs.

Tom Gordon tied a major-league record with his 41st straight save conversion in the game Wednesday night in

BASEBALL ROUNDUP

Boston. He got out of an eighth-inning jam by striking out Paul Sorrento and then pitched a one-hit ninth for his AL-high 44th save of the season.

Toronto faced elimination as Boston sought a victory in its final series, four games against Baltimore.

Steve Avery (10-7) became Boston's fourth 10-game winner, allowing no earned runs and five hits in five innings.

Blue Jays 6, Orioles 3 Kelvim Escobar outpitched a former teammate, Juan Guzman, and Carlos Delgado and Shannon Stewart each hit two-run homers as host Toronto defeated Baltimore.

After Guzman (10-16) was traded to the Orioles on July 31, Escobar (7-3) replaced him. Escobar went eight innings, giving up three runs and 10 hits, striking out five and walking one.

Yankees 8, Indians 4 At Yankee Stadium, Shane Spencer and Chad Curtis hit three-run homers as New York matched the most victories in franchise history.

The Yankees, who equaled the 110 victories of the 1927 team, pulled within one game of the American League record of 111 victories, set by the 1954 Indians. New York has four games remaining to catch the Indians but will not be able to surpass the 116 victories by the Chicago Cubs in 1906.

Tigers 5, Royals 1 In Kansas City, Bryce Florie allowed three hits in seven innings and struck out nine as Detroit extended its season-high winning streak on the road to five games by completing its first three-game sweep of Kansas City since 1991.

Twins 7, White Sox 6 Chris Latham's two-out single in the 12th inning scored Paul Molitor for the winning run as host Minnesota rallied from a six-run deficit.

The rally, sparked by Brent Gates's three-run homer in the ninth, tied a team record for the biggest comeback in Twins' history. Molitor started the winning rally with a two-out single off Scott Eyre (3-8), and Doug Mientkiewicz followed with a check-swing single. Molitor stole third without a throw and Latham singled up the middle for his third RBI in 30 games this season.

Rangers 7, Angels 1 In Anaheim, John Burkett pitched two-hit ball over eight innings as the Rangers moved three games ahead of the Angels with four games left in baseball's last undecided divisional race.

Todd Zeile singled in a run in the fourth, then hit a two-run homer off Troy Percival in a three-run eighth for the Rangers. Rusty Greer drove in a pair of runs for Texas with sacrifice flies.

Athletics 8, Mariners 3 In Seattle, Eric Chavez singled in the go-ahead run in the eighth inning as Oakland avoided clinching last place in the AL West.

In the National League:

Expos 3, Mets 0 Carl Pavano allowed three hits in six-plus innings as visiting Montreal dropped New York back into a tie with the Chicago Cubs atop the NL wild-card standings. The Mets close out the season with three games in Atlanta.

Giants 4, Pirates 1 Joe Carter hit a go-ahead three-run homer and Mark Gardner allowed five hits in eight innings as host San Francisco won its third straight.

The Giants, who moved to within 1½ games of the Mets and Cubs in the NL wild-card race, have four games left.

Braves 11, Marlins 0 In Miami, John Smoltz allowed one hit in five innings and Andres Galarraga hit his 44th homer for Atlanta.

Smoltz (17-3) retired the first 10 batters, including seven on strikeouts.

Phillies 4, Reds 2 Mark Portugal had a pair of hits and pitched 7⅔ innings to lead the visiting Phillies.

Portugal (10-5) allowed four singles and four walks. The right-hander went 8-2 in 15 road starts with a 3.06 earned run average this season.

Rockies 14, Diamondbacks 11 In Denver, Todd Helton homered twice and drove in a career-high five runs to lead the Rockies.

Larry Walker went 3-for-3 to improve his NL-best batting average to .360. David Wainhouse (1-0) got the victory. Dave Veres pitched two scoreless innings for his sixth save.

Padres 3, Dodgers 2 In Los Angeles, Andy Ashby pitched six innings for his first victory in six weeks, and Tony Gwynn homered to drive in the go-ahead run.

Ashby (17-9) became the NL's first 16-game winner Aug. 12 but had gone 0-3 with three no-decisions since then. He allowed seven hits and two runs while walking one and striking out six.

Brian Snyder/Reuters

Darren Bragg congratulating Nomar Garciaparra, right, on his game-winning homer as Mo Vaughn strides up.

The Brewers Who Made Sosa Famous

Slugger Is 12 for 12 Against Milwaukee, His 'Lucky Team'

By Dave Anderson
New York Times Service

MILWAUKEE — There was a time when the familiar slogan in this bratwurst burg bragged about "the beer that made Milwaukee famous."

But in baseball's year of the Great Home Run Race, Milwaukee is now known for the pitching staff that made Sammy Sosa famous.

With his two homers here Wednesday for a total of 65, Sosa had hit 12 against the Brewers' staff this season. More important, he had tied Mark McGwire for the major league home-run lead. McGuire went 1 for 3 with a single and two walks on Wednesday night against the Houston Astros in St. Louis.

When Sosa was hitting four home runs in three days against the Milwaukee Brewers nearly two weeks ago, the Cubs' slugger was asked what he thought of the Brewers' transfer to the National League this season after nearly three decades in the American League.

With his trademark smile, Sosa replied, "I think it was a very good move." Very good for him, certainly.

Before Wednesday's game, Sosa had been in an 0-for-21 slump since he had tied McGwire with his 63d homer, a grand-slam in San Diego on Sept. 16. McGwire had hit two more since then, and with only several days left in the season, the competition that had riveted fans throughout the summer appeared to be over.

But suddenly, Sosa energized the race, slugging home runs in the fifth and sixth innings.

"I still think Mark will finish in front of me," Sosa said. "I have to give up and sacrifice myself to get on base. Mark don't have to go to the playoff. When you try to go to the playoff, you never think about home runs."

"I came back today and hit the ball; it's part of the game," he said. "It's a good sign. I feel great today. I feel patient. When I play like that, I have a better chance. Yesterday, I use three bats, today I use one — the good one."

He added later, alluding to the Brewers: "I have to say, this is my lucky team."

But as a group, Sosa and the Cubs weren't feeling lucky. They lost, 8-7, in the ninth inning when three Brewer base runners suddenly scored as left fielder Brant Brown dropped a fly ball that should have been a routine final out.

Sosa's first homer, off Rafael Roque in the fifth inning, floated into the right-field stands at County Stadium, 344 feet away. His second, off Rod Henderson in the sixth, soared over the center-field fence, 410 feet away.

Asked if he would trade the two homers for a victory, Sosa said: "Definitely. I care about winning. I care about the team."

The Cubs conclude the season with a three-game series in Houston against the Astros, beginning Friday night.

But the loss on Wednesday, like Sosa's two homers, is in the book now. His 12 homers against the Brewers average one for each of the 12 games between the teams this season — the highest per-game homer ratio against one team in major league history.

Lou Gehrig, the Iron Horse first baseman of the Yankees, hit 14 homers against the Cleveland Indians' staff in 1936 for the major league record.

But in that era, teams played 22 games against each other team every season. Sosa hit his 12 against the Brewers in 12 games.

Sosa's homers also gave him 155 runs batted in. It's the fourth highest total in NL history, behind Hack Wilson's major league record 190 for the Cubs in 1930, Chuck Klein's 170 for the 1930 Philadelphia Phillies and Wilson's 159 in 1929.

But the number Sosa seemed more concerned with were the eventual number of dead and injured from Hurricane Georges in the Dominican Republic, where he grew up and where he returns each off season.

"I haven't heard anything," he said. "When we get to Houston tonight, I will make some phone calls and try to find out. It is bad.

"But maybe this," he added, speaking of his two homers, "helps them feel a little better."

Selena Roberts of The New York Times reported from St. Louis:

Each time that Sammy Sosa has caught the St. Louis Cardinals' Mark McGwire in their home-run race this season, McGwire has responded by hitting another rocket and forging ahead yet again. But on Wednesday night, McGwire failed to supply a snappy comeback to Sosa in the face of his pitching equal on the intimidation scale: the Houston Astros' power pitcher Randy Johnson (10-1).

Sensing the magnitude of the matchup, the Busch Stadium crowd of 38,997, which put the Cardinals over the 3 million mark in attendance for the first time since 1989, was buzzing with anticipation even though the Astros put their 7-1 victory away early.

"Mark, he's got a terrific ability to rise to the occasion," said the Cardinals' manager, Tony LaRussa, before the game. "That's why tonight, in this terrific, classic confrontation, he's got a chance to do some damage."

He had little chance, though. Although Johnson had said "no one wants to see me walk him," that's exactly what he did in the first and third innings, much to the dismay of the crowd. It did not look as if Johnson was pitching around McGwire, who went 1 for 3 on the night.

Some, including Sosa, have suggested that McGwire has the edge in controlling the pace of this race because the Cardinals are out of the playoffs. No pressure, no holding back. McGwire can relax and swing freely.

Just the mention of this theory on which player has it easier, McGwire or Sosa, makes LaRussa bristle.

Although he will tell you that Sosa would get his vote as Most Valuable Player, "but just barely," based on the Cubs' more successful season, LaRussa believes McGwire has a much more difficult task.

"The Cubs are in contention, and the adrenaline is pumping and it's easier to bear down," LaRussa said. "It's easier to play and try to help your team than to be selfish. You bite your tongue as much as you can, but when there's an inference that Mark's team is out of contention and that means he can focus on home runs — well, in other words, they're taking away from what Mark has done."

Funeral for Flo-Jo to Be Open to Fans

The Associated Press

SANTA ANA, California — Fans of Florence Griffith-Joyner, the sprint world-record holder, will have the opportunity to grieve and say good-bye to the world's fastest woman sprinter in a public viewing to be held in Los Angeles on Friday.

It will be an occasion of tears rather than cheers for Griffith-Joyner, the star of the 1988 Olympics, who died Monday at age 38 of undetermined causes at her home in Mission Viejo.

A public viewing was scheduled Friday from 8 A.M. to 5 P.M. at the Angelus Funeral Home on Crenshaw Boulevard in Los Angeles, USA Track & Field, the sport's national governing body, announced Wednesday.

The funeral was planned for Saturday morning in the Orange County community of Lake Forest at Saddleback Valley Community Church. The church can accommodate about 3,200 people, and that service is also open to the public.

The cause of her death remained under investigation, coroner's officials said Wednesday. Coroner's tests were continuing, and results might take weeks, said the Orange County sheriff, Lieutenant Hector Rivera.

Griffith-Joyner felt "a little tired" after appearing at a gymnastics meet and visiting her mother in Santa Barbara on Sunday, said Bob Kersee, her former coach. But there were "no signs whatsoever that Florence was ill."

She won gold medals in the 100- and 200-meter dashes and the 400-meter relay at the 1988 Seoul Olympics, and at her death was still the fastest woman sprinter ever.

■ **IOC Says Rumors Unfounded**

The International Olympic Committee's chief medical authority said rumors that Florence Griffith-Joyner used banned substances were unfounded. Griffith-Joyner was singled out for rigorous drug testing during the 1988 Seoul Olympics because of steroid rumors, and she turned up clean, The Associated Press reported from Brussels.

"So there should not be the slightest suspicion," Prince Alexandre de Merode, chairman of the IOC's medical commission, said Wednesday. "Let her rest in peace. The issue is closed."

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

EAST DIVISION	W	L	Pct.	GB
x-New York	110	48	.696	—
Boston	89	69	.563	21
Toronto	86	73	.541	24½
Baltimore	78	80	.494	32
Tampa Bay	63	95	.399	47
CENTRAL DIVISION				
x-Cleveland	88	70	.557	—
Chicago	77	81	.487	11
Kansas City	71	86	.452	16½
Minnesota	67	91	.424	21
Detroit	64	95	.403	24½
WEST DIVISION				
Texas	86	72	.544	—
Anaheim	83	75	.525	3
Seattle	74	83	.471	11½
Oakland	72	86	.456	14

NATIONAL LEAGUE

EAST DIVISION	W	L	Pct.	GB
x-Atlanta	103	56	.648	—
New York	88	71	.553	15
Philadelphia	74	84	.468	28½
Montreal	64	94	.405	38½
Florida	51	107	.323	51½
CENTRAL DIVISION				
x-Houston	100	59	.629	—
Chicago	88	71	.553	12
St. Louis	80	78	.506	19½
Cincinnati	74	85	.465	26
Milwaukee	73	85	.462	26½
Pittsburgh	69	89	.437	30½
WEST DIVISION				
x-San Diego	97	62	.610	—
San Francisco	86	72	.544	10½
Los Angeles	80	78	.506	16½
Colorado	76	83	.478	21
Arizona	63	96	.396	34

x-clinched division title

WILD CARD RACES

AMERICAN LEAGUE

	W	L	Pct.	GB
Boston	89	69	.563	—
Toronto	86	73	.541	3½

SCHEDULE

Boston (4) — Home (4): Sept. 24, 25, 26, 27, Baltimore.

Toronto (3) — Home (4): Sept. 25, 26, 27 Detroit.

NATIONAL LEAGUE

	W	L	Pct.	GB
Chicago	88	71	.553	—
New York	88	71	.553	—
San Francisco	86	72	.544	1½

SCHEDULE

Chicago (3) — Away (3): 25, 26, 27, Houston.

New York (3) — Away (3): 25, 26, 27, Atlanta.

San Francisco (4) — Home (1): Sept. 24 Pitts-burgh. Away (3): Sept. 25, 26, 27, Colorado.

WEDNESDAY LINESCORES

AMERICAN LEAGUE

Oakland 010 001 114—8 9 0
Seattle 000 012 000—3 9 0

Oquist, T. J.Mathews (7), Groom (8), Taylor (8) and Hinch. Macfarlane (7); Claude, Slocumb (7), Ayala (9), Gajkowski (9), McCarthy (9), Holdridge (9) and Marzano. W—T. J.Mathews, 6-4. L—Slocumb, 2-5. Sv—Taylor (33). HRs—Oakland, Grieve (18). Seattle, A.Rodriguez (42).

Baltimore 010 000 020—3 10 0
Toronto 220 010 00x—6 8 0

Guzman, P. Smith (5), Coppinger (6) and C. Greene; Escobar, Person (9) and Fletcher. W—Escobar, 7-3. L—Guzman, 10-16. Sv—Person (6). HRs—Toronto, Stewart (12), C. Delgado (36).

Tampa Bay 003 000 010—4 9 0
Boston 004 010 00x—5 6 1

Rekar, Mecir (6), Aldred (8), R. Hernandez (8) and DiFelice; Avery, Lowe (6), Corsi (7), Gordon (8) and Hatteberg. W—Avery, 10-7. L—Rekar, 2-8. Sv—Gordon (44). HR—Boston, Garciaparra (33).

Cleveland 031 000 000—4 8 1
New York 005 030 00x—8 10 1

Jacome, D. Jones (6), Poole (7), M. Jackson (8) and Ei.Diaz; Jerzembeck, Bradley (4), Lloyd (7), Holmes (8) and Figga. W—Bradley, 2-1. L—Jacome, 0-1. HRs—Cleveland, Justice (20). New York, Spencer (7), Curtis (10).

Detroit 301 010 000—5 11 0
Kansas City 000 100 000—1 4 0

Florie, Brocail (8) and Siddall; Appier, Rusch (6), J. Montgomery (9) and Spehr. W—Florie, 8-9. L—Appier, 1-2. HRs—Detroit, Encarnacion (6), Easley (27). Kansas City, Palmer (34).

Chicago 011 022 000 000—6 17 1
Minnesota 000 000 213 001—7 11 1
12 innings

Parque, Bradford (8), B. Ward (8), Simas (9), Eyre (10) and Johnson; Hawkins, T. Miller (6), Ritchie (6), Serafini (8), Carrasco (9), Baptist (10), Trombley (11) and Steinbach. W—Trombley, 6-5. L—Eyre, 3-8. HRs—Minnesota, Gates (3), Koskie (1).

Texas 100 100 131—7 7 0
Anaheim 001 000 000—1 4 2

Burkett, Wetteland (9) and I. Rodriguez; K.Hill, P. Harris (7), Holtz (7), Percival (8), DeLucia (9), Watson (9) and Kreuter, Walbeck (9). W—Burkett, 9-13. L—K. Hill, 9-6. HR—Texas, Zeile (6).

NATIONAL LEAGUE

Chicago 021 031 000—7 10 1
Milwaukee 000 000 413—8 10 1

Trachsel, F. Heredia (7), Karchner (7), Beck (9) and Servais; Roque, A. Reyes (5), Ro.Henderson (6), De los Santos (7), Plunk (8), C.Fox (9) and Hughes, Matheny (9). W—C. Fox, 1-3. L—Beck, 3-3. HRs—Chicago, Sosa 2 (65).

Pittsburgh 000 100 000—1 6 1
San Francisco 000 003 10x—4 10 1

Peters, Mi.Williams (7), Christiansen (8) and Osik; Gardner, Nen (9) and B. Johnson. W—Gardner, 13-5. L—Peters, 8-10. Sv—Nen (39). HR—San Francisco, Carter (5).

Philadelphia 030 100 000—4 8 1
Cincinnati 000 000 200—2 5 0

Portugal, Y. Perez (8), Bottalico (9) and Bennett; Parris, Glauber (3), Hudek (7), Sullivan (8) and Taubensee. W—Portugal, 10-5. L—Parris, 6-5. Sv—Bottalico (6).

Atlanta 301 023 011—11 19 1
Florida 000 000 000—0 3 1

Smoltz, Charlton (6), R. Springer (8), Seanez (9) and J. Lopez; Ojala, Ludwick (5), Stanifer (6), Speier (9) and Zaun. W—Smoltz, 17-3. L—Ojala, 2-7. HRs—Atlanta, Lombard (1), Gerald Williams (10), Galarraga (44), Helms (1).

Montreal 020 000 001—3 7 1
New York 000 000 000—0 3 1

Pavano, T. Young (7), M. Maddux (7), DeHart (8), Telford (8), Urbina (9) and Henley; B.J.Jones, Wendell (8) and Piazza. W—Pavano, 6-8. L—B. J.Jones, 9-9. Sv—Urbina (34). HR—Montreal, Henley (3).

Houston 312 000 001—7 15 0
St. Louis 100 000 000—1 9 0

R.Johnson, Ja.Powell (8), B. Wagner (9) and Ausmus; D.Oliver, Petkovsek (3), Frascatore (4), Witt (6), Croushore (8), C. King (9) and Marrero. W—R. Johnson, 10-1. L—D. Oliver, 4-4. HR—St. Louis, P.Kelly (4).

Arizona 114 000 500—11 16 1
Colorado 110 360 12x—14 15 1

Chouinard, Ford (4), Weber (4), F. Rodriguez (5), Michalak (5), Sodowsky (6), W. Banks (7), Embree (8) and Miller; Astacio, Munoz (5), McElroy (7), Wainhouse (7), Veres (8) and J. Reed, Manwaring (9). W—Wainhouse, 1-0. L—W. Banks, 1-2. Sv—Veres (8). HRs—Arizona, K.Garcia (9). Colorado, Helton 2 (24).

San Diego 020 010 000—3 8 0
Los Angeles 001 100 000—2 8 0

Ashby, Boehringer (7), Langston (7), Miceli (8), Ra.Myers (8), Hoffman (8) and C. Hernandez; Bohanon and Pena. W—Ashby, 17-9. L—Bohanon, 7-11. Sv—Hoffman (52). HRs—San Diego, Gwynn (15). Los Angeles, Lurie (11).

Japanese Leagues

CENTRAL LEAGUE	W	L	T	Pct.	GB
Yokohama	72	47	1	.605	—
Chunichi	68	55	1	.553	6
Yomiuri	69	60	—	.535	8
Yakult	60	63	—	.488	14
Hiroshima	55	71	—	.437	20½
Hanshin	49	77	—	.389	26½
PACIFIC LEAGUE					
Seibu	61	55	3	.526	—
Nippon Ham	65	59	2	.524	—
Daiei	67	62	1	.519	½
Kintetsu	65	61	2	.516	1
Orix	59	64	3	.480	5½
Lotte	52	68	3	.433	11

THURSDAY RESULTS

CENTRAL LEAGUE

Yokohama 7, Chunichi 1
Hanshin 10, Yakult 0
Hiroshima vs. Yomiuri postponed, rain

PACIFIC LEAGUE

Seibu 10, Orix 3

ICE HOCKEY

NHL Preseason

WEDNESDAY RESULTS

Philadelphia 7, Montreal 1
Boston 4, Pittsburgh 0
N.Y. Rangers 1, New Jersey 0
Ottawa 5, Calgary 2
Tampa Bay 4, N.Y. Islanders 3
Toronto 5, Edmonton 2
Vancouver 6, Phoenix 2
Colorado 5, Anaheim 4

BASKETBALL

EuroLeague

GROUP A

Fenerbahce, Tur., 99, Zalgiris, Lith., 84

GROUP C

Ulkerspor, Turkey, 62, Zadar, Croatia, 55

GROUP D

PAOK Salonika, Greece, 87, Real Madrid, 75
Samara, Russia, 74, Villeurbanne, Fr., 78

CYCLING

Tour of Spain

Leading placings Thursday in 170.4-kilometer (105.6-mile) 19th stage from Avila to Segovia:

1. Roberto Heras, Spain, Kelme 4 hours 13 minutes 26 seconds
2. Fernando Escartin, Sp., Kelme at 30 sec.
3. Alvaro Galdeano, Spain, Euskaltel, s.t.
4. Laurent Jalabert, France, ONCE at 31
5. Gilberto Simoni, Italy, Cantina Tollo, s.t.
6. Marco Serpellini, Italy, Brescialat, s.t.
7. Abraham Olano, Spain, Banesto, s.t.
8. Alex Zuelle, Switzerland, Lotus, s.t.
9. Daniel Clavero, Spain, Vitalicio, s.t.
10. Andrei Zintchenko, Russia, Vitalicio, s.t.

OVERALL: 1. Olano 83 hours 14 minutes and 13 seconds; 2. Jalabert at 22 sec.; 3. Jose Maria Jimenez, Spain, Banesto 31; 4. Escartin 37; 5. Heras 2:05; 6. Zuelle 2:12; 7. Clavero 2:17; 8. Galdeano 3:03; 9. Lance Armstrong, U.S., U.S. Postal 3:20; 10. Jose Castelblanco, Colombia, Avianca 4:24.

SOCCER

FRENCH FIRST DIVISION

Toulouse 0, Auxerre 0

DUTCH FIRST DIVISION

Fortuna Sittard 1, Ajax Amsterdam 0
Willem II Tilburg 2, Cambuur Leeuwarden 1
Heerenveen 1, Utrecht 0
Twente Enschede 2, MVV Maastricht 1
Vitesse Arnhem 2, RKC Waalwijk 0
NAC Breda 1, AZ Alkmaar 1
Graafschap Doetinchem 0, Sparta Rott. 3

STANDINGS: Feyenoord 15 points; Heerenveen 13; Arnhem 13; Enschede 13; Utrecht 11; Ajax 11; Tilburg 11; Nijmegen 8; Doetinchem 8; Eindhoven 7; Alkmaar 7; Breda 6; Sittard 5; Kerkrade 4; Sparta Rotterdam 4; Maastricht 3; Leeuwarden 2; Waalwijk 1.

SCOTTISH PREMIER DIVISION

Celtic 0, St. Johnstone 1
Hearts 3, Motherwell 0
Kilmarnock 2, Dundee 1
Aberdeen 1, Rangers 1, tie
Dundee United 1, Dunfermline 1, tie

FRIENDLY INTERNATIONALS

Brazil 1, Yugoslavia 1
Spain 1, Russia 0
Moldova 0, Romania 0
Estonia 2, Egypt 2

MAJOR LEAGUE SOCCER

Chicago 3, New England 2

STANDINGS: Eastern Conference: y-D.C. 46 points; x-Columbus 50; x-NY-NJ 63; x-Miami 65; New Eng. 66; Tampa B. 53. Western Conference: y-L.A. 65; x-Chicago 56; x-Colorado 41; x-Dallas 37; Kansas C. 32; San Jose 30.

x-clinched playoff berth
y-clinched conference title

TRANSITIONS

FOOTBALL

NATIONAL FOOTBALL LEAGUE

ATLANTA—Reached an injury settlement with LB Brandon Tolbert.

HOCKEY

NATIONAL HOCKEY LEAGUE

NEW JERSEY—Re-signed C Petr Sykora and signed G Jean-Francois Damphousse to multiyear contracts.

Boxing
Heavyweight Explosion
tune in tonight 22.00 (CET)
EUROSPORT
Eurosport, Europe's No.1 Sports TV Channel, available on cable and satellite

هكذا من الأصل

SPORTS

Tyson Takes Psychological Tests to Gauge Ring Fitness

By Dolores Kong
The Boston Globe

BOSTON — Mike Tyson, the former world heavyweight champion, has undergone several hours of psychological and neurological tests at Massachusetts General Hospital in Boston to determine his mental fitness to return to boxing, a question the state of Nevada wants answered before it decides whether to grant him a license to fight again.

"We are going to do the best we can to help provide the answer to that question," said Dr. Ronald Schouten, who heads the hospital's law and psychiatry program.

He is overseeing Tyson's comprehensive examination, which is required by the Nevada Athletic Commission.

While Schouten could not talk Wednesday about details of the tests or when results might be in, he said: "We're putting together a complete evaluation, like any evaluation involving the ability of people to return to work.

"It's a very sensitive matter, so we're being very careful about confidentiality."

Tyson lost his boxing license on July 9, 1997, after he twice bit Evander Holyfield's ear during a heavyweight title fight. He has also served a prison sentence for rape.

In recent hearings seeking reinstatement before both New Jersey and Nevada regulators, Tyson presented psychological evidence supporting his ability to re-enter the ring. For instance, a psychologist, Bert Rotman, told New Jersey regulators that Tyson was a "big teddy bear" with a side that was "warm and sensitive." Rotman based that assessment on an hour's interview with the boxer.

But the Nevada commission, which held a six-hour hearing on Tyson's reinstatement request Saturday, wanted a more thorough review after an incident in Maryland on Aug. 31 in which two men said Tyson assaulted them after a minor traffic accident. He was charged with two counts of misdemeanor assault.

The commission asked the hospital team to perform such tests on Tyson as a brain scan, a comprehensive drug screen and a battery of neuropsychological exams, said Dr. Edwin Homansky, chairman of the medical advisory board to the commission.

"What we expect from the team that will be evaluating him is a team approach to Mike, his cognitive abilities and his psychological abilities, and his ability to go back into the ring," Homansky said.

The commission gave Tyson a choice of three institutions at which to undergo the exams, and he chose Massachusetts General.

Such exams, more thorough than the commission usually requires of boxers, are necessary given the circumstances surrounding Tyson's request for reinstatement, Homansky said. "The only reason we're going to this effort, to ask Mr. Tyson to do this, is because we think it's best for him and best for the state of Nevada," he said.

The Nevada commission is also requiring the hospital team to examine the videotapes of Tyson during his fight with Holyfield, his postfight interviews and his license reinstatement hearings in New Jersey and Nevada.

Toru Yamanaka/Agence France-Presse

RUSSIAN ROLLS — Anna Kournikova hitting a backhand return to Wang Shi-Ting of Taiwan, whom she beat 6-0,6-4, Thursday in a second-round match at the Toyota Princess Cup in Tokyo.

Ex-Ball Boy Takes Center Stage

By Christopher Clarey
International Herald Tribune

THE DAVIS CUP

STOCKHOLM — Thomas Johansson will be playing Davis Cup for Sweden for the first time Friday when it faces Spain here in the semifinals, but this will not be the first time Johansson plays a role in a Davis Cup match.

In 1988, when he was 13, Johansson was on court as a ball boy when Sweden played Czechoslovakia in the quarterfinals in Norrkoping. Sweden would win that tie, 3-2, as Stefan Edberg rallied to defeat Miloslav Mecir in the decisive rubber.

"Since then, I have always followed Davis Cup," Johansson said. "And for me, it has always been a dream to be part of the team."

This is how it is in Sweden, a country that cherishes collective effort both inside and outside the arena. This is also how it is in Spain, a country that has resumed being a major player in men's tennis in the '90s, but has yet to win its most prestigious team title.

"I think Spaniards would get more excited about us winning the Davis Cup than about us winning any individual titles, even Grand Slams," said the Spanish player Alex Corretja.

That is not how it is in the United States. It has won the Davis Cup a record 31 times, but its players' interest in padding that historic lead continues to wane. While no top Spaniard or Swede would consider declining a Davis Cup selection, the Americans will face Italy in Milwaukee in the other semifinal without their two biggest stars — Pete Sampras and Andre Agassi — and without any player ranked in the top 25.

As a result, the oft-reshuffled American team is no longer an overwhelming favorite against an Italian team that has Andrea Gaudenzi and Davide Sanguinetti but still lacks any imposing fast-court players.

"I would be less than honest if I said I wasn't disappointed," said the American captain, Tom Gullikson, at the U.S. Open. "Because the goal certainly is to get the top Americans, the best Americans, to play every tie. But you know, you have to go forward. I don't particularly like arguing with people, confronting people, so I like to stress the positive and move on with the people who really want to be there."

The Americans who meet that description are the veterans Todd Martin and Jim Courier and the relative newcomers Jan-Michael Gambill and Justin Gimelstob. Martin is ranked 28th but is better than that on the quick indoor surface that will be used in Milwaukee; Courier, the former world number one, has dropped to 72 and has mulled over retiring this year because of chronic pain in his right arm and a chronic lack of fine results in Grand Slam events.

The 50th-ranked Gambill, who will play singles along with Martin, is promising, but, for the moment, the articulate and attractive 21-year-old is more marketable than reliable. He also has never played for his country before, and even with thousands of midwesterners rooting him on, Davis Cup debuts are seldom straightforward.

Johansson, a 23-year-old with a textbook-ready service motion and powerful legs, has proved susceptible to pressure in the past. He squandered three match points in the quarterfinals of the U.S. Open earlier this month against Mark Philippoussis, double-faulting several times at important junctures. But his body of work this summer and his impressive play in practice this week persuaded the Swedish captain Carl-Axel Hageskog to choose him over his own prize pupil Magnus Larsson, who has been experiencing pain in his right wrist.

"I think Thomas is ready for the big moment," Hageskog said.

If rankings were the guideline, Sweden would not be favored to beat Spain but though Carlos Moya is ranked fifth and Corretja seventh, they did not earn those low numbers by playing indoors. They earned them by playing outdoors on clay and hard courts, and while the rubberized Taraflex surface at the Royal Tennis Hall in Stockholm is not playing as fast as Johansson and Sweden's other singles player Jonas Bjorkman would like, it is still quick enough for the Spaniards to wax pessimistic. Their lack of a quality doubles team also does not help their cause.

"We better take advantage of our home-court advantage," Larsson said.

"Because the next time we play them it will be in Spain on the slowest clay court they can find."

Hakkinen and Schumacher Battle to the Wire for the Title

By Brad Spurgeon
International Herald Tribune

FORMULA ONE

PARIS — Never before in the modern era of Formula One have the final contenders for the drivers' title gone to the penultimate race with a tied score, as Mika Hakkinen and Michael Schumacher will do Sunday at the Luxembourg Grand Prix on the Nurburgring in Germany.

While it is now mathematically certain that one of those drivers will win this year's title, what is not certain is how the winner will be chosen should they still be tied at the end of the season. With 80 points each, and a maximum of 20 points available to each driver over the next two races, no one else can catch them. David Coulthard, who is third, is 22 points behind.

The most historically similar situation was in 1974 between Emerson Fittipaldi and Clay Regazzoni. Like Hakkinen and Schumacher, they also drove for McLaren and Ferrari, respectively, and were also tied after the 14th race of the season. But their season was only 15 races, compared with the current 16. Fittipaldi won the title in the last race after finishing fourth, while Regazzoni finished 11th.

The closest-ever title score was in 1984 when Niki Lauda beat Alain Prost by a half-point. Half-points are no longer allotted.

The race Sunday could produce the final title winner, however, since despite the equal score Hakkinen needs only to win the race — if Schumacher gains no points — to win the title. This he would do by virtue of his greater number of second-place finishes. He has two and Schumacher has one. Should Hakkinen win the race and Schumacher finish second, drawing the score up to 90 to 86, the title would be decided at the Japanese Grand Prix on Nov. 1.

It would then be necessary for Schumacher to win and Hakkinen to finish second to draw them up equal again, but Hakkinen would again take the title on the basis of his second places. Both drivers now have six victories.

But while the stage is set for the greatest two-race duel since the modern era of the series began in 1950, the show may already be over — and in Hakkinen's favor. Should neither driver score any points in the next two races, Hakkinen would win the world championship on the basis of his greater number of second-place finishes.

Mathematically inclined fans may be hoping for this even more complex scenario: If Hakkinen finishes fourth in Luxembourg and in Japan, while Schumacher finishes second in one race and gains no points in the other, they will again be tied, as a fourth place is worth three points.

The decision would then be made by the number of third-place finishes, according to the International Automobile Federation, the sport's governing body. As Schumacher has three third-places this season against one for Hakkinen, the German would be declared champion.

But that would not be the case if Hakkinen finished third in the next two races while Schumacher caught up to the Finn's second-place finishes with another one for himself, plus a fifth place, worth two points. Such a scenario would draw them equal in points again, and they'd have the same number of victories, of second places, and of thirds. The winner would then be the one with the most fourth-place finishes.

Again it is Hakkinen, who has one fourth place, to none for Schumacher.

While it may come close, this season fortunately will not see the title awarding process go to its theoretical strangest outer limits. That would happen if both drivers had the same number of points distributed through an equal number of first- to sixth-place finishes. Under those conditions, Formula One's sporting regulations say that "the FIA will nominate the winner according to such criteria as it thinks fit."

Skeptics argue that such a decision would probably serve the commercial needs of Formula One, rather than its sporting needs.

Fortunately both Hakkinen and Schumacher may win the title simply by scoring one more point than the other driver over the next two races. While Hakkinen has the mathematical odds in his favor, Schumacher has the psychological edge. After trailing since the start of the season in March, he has finally pulled up equal to the Finn before the penultimate race. No small advantage.

NBA Cancels 24 Preseason Games

Compiled by Our Staff From Dispatches

NEW YORK — The National Basketball Association on Thursday canceled 24 preseason games and postponed the start of training camps indefinitely as the league's lockout went into its 86th day with only faint hopes for a timely resolution.

The unprecedented loss of preseason games came one day after Commissioner David Stern; Deputy Commissioner Russ Granik; Billy Hunter, the director of the players' union, and Patrick Ewing, the union's president, met for about an hour in the first encounter between the two camps since club owners stormed out of a bargaining session Aug. 6.

"I don't know if we got the ball rolling or not," Granik said Thursday. "We tried to offer some suggestions, but I don't know if the process will move forward. We're waiting to hear back from them on whether there's any point to having another meeting."

The dispute threatens to force the cancellation of regular-season games because of a work stoppage for the first time in league history. The season is scheduled to tip off Nov. 3.

The league, which previously canceled an exhibition game in Israel between the Miami Heat and Maccabi Tel-Aviv team on Oct. 12, canceled four more days worth of games — including the three-time defending champion Chicago Bulls' first preseason game at the United Center on Oct. 13 against the Atlanta Hawks.

"Unfortunately, it is now clear there will not be enough time for teams to fill their rosters and go through the necessary period of conditioning and be ready to play preseason games by mid-October," Granik said in a statement.

Training camps, which were due to open Oct. 6, have been postponed indefinitely.

The owners insist on modifying the league's labor system by creating an inflexible ceiling on team payrolls, or a "hard salary cap." The union wants an even more flexible salary cap, including continuation of the so-called Larry Bird Exception, a provision that allows teams to exceed the salary cap in order to re-sign their own free agents.

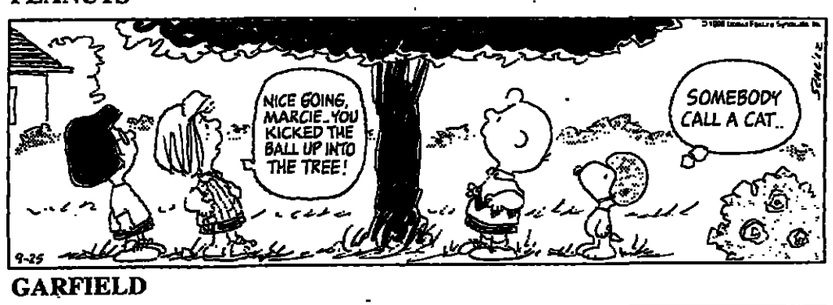
Both sides await a pivotal legal finding by the league's grievance arbitrator, John Feerick, dean of Fordham University's law school. He has until Oct. 18 to decide on a claim by the players' union that the league is obligated to pay guaranteed contracts during the lockout. About 220 players have such contracts worth about $800 million this season, according to union sources.

The winner in that case would gain leverage in negotiations. If Feerick found for the players, the owners would have to pay those 220 salaries even if the lockout continued and there were no games to generate revenue. If Feerick found for the owners, more players might push the union to settle for a deal that would send them back to work.

The league imposed the lockout July 1 after the sides failed to come to terms on a new collective bargaining agreement. *(AP, NYT)*

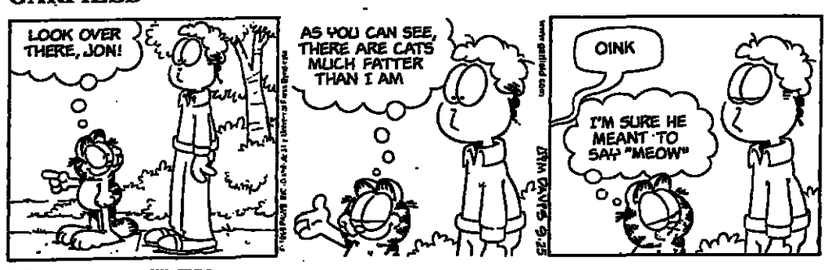
DENNIS THE MENACE

PEANUTS



CALVIN AND HOBBES

GARFIELD



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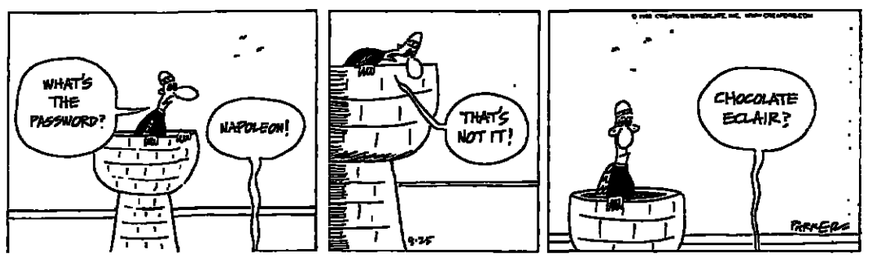


JUMBLE. THAT SCRAMBLED WORD GAME

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

LESOO

ZISEE

WENITH

TOOCLE

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Ans: AT THE [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]

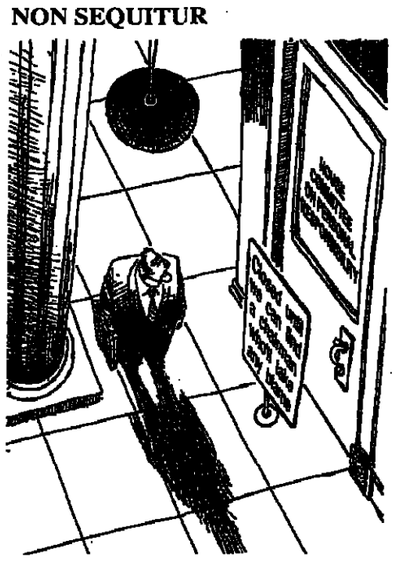
(Answers tomorrow)

Yesterday's Jumbles: ABBEY OPIUM FORGET CIRCUS

Answer: She didn't buy the dress because it was — TOO BIG IN THE PRICE

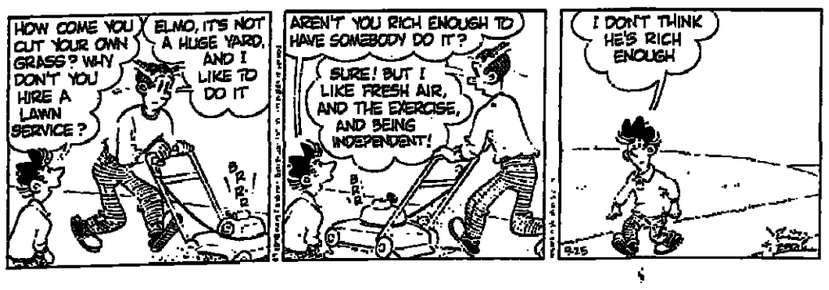
BEETLE BAILEY

NON SEQUITUR



DOONESBURY

BLONDIE



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POSTCARD

Salute to Navy Reformer

By Sarah Booth Conroy
Washington Post Service

WASHINGTON — Rosh Hashanah, the start of the Jewish new year, is a fitting time to remember Commodore Uriah Phillips Levy.

"An American, a Sailor and a Jew," an exhibit at the National Museum of American Jewish Military History, shows Levy (1792-1862) as a man not afraid to be the first to take on difficult causes. His derring-do resulted in his being convicted in six naval courts-martial.

One was overturned by President James Monroe and another mitigated by President John Tyler, as the museum's curator, Sandor B. Cohen, and the assistant curator, Ed Liskey, note in the show's catalogue and captions.

Probably the best known of his campaigns was against the brutal flogging of sailors with a cat-o'-nine-tails, which was a worldwide practice at the time. The expression "letting the cat out of the bag" comes from the whip carried in a bag by officers intent on punishing crewmen.

As commander of the Vandalia, Levy reformed crew discipline, substituting humiliation for flogging and making the punishment fit the crime. For instance, a seaman caught stealing had to wear a wooden sign proclaiming him "thief." A sailor too fond of alcohol wore a bottle-shaped sign emblazoned with "A Drunkard's Punishment."

Levy reformed crew discipline, using humiliation instead of flogging.

His crew appreciated the humane and just treatment and returned the respect. Not so the navy brass, which was furious with Levy for defying tradition.

In 1842, he was court-martialed for using "cruel and scandalous" punishment when a boy who mimicked an officer was disciplined by the application of a bit of tar and feathers to his rear. A report of the time reported that when Tyler read the navy's verdict he laughed out loud, protesting, "This was substituted in place of 12 stripes of the cat, and for this Commander Levy is sentenced to be dismissed from the service?"

Tyler suspended Levy for a year — and promoted him to captain in 1844.

From the time he was 10 and ran away to join it until his death at 70, the navy was Levy's life. During the War of 1812, he turned down the rank of midshipman to be sailing master of the Argus. The ship became the "phantom raider" of the English Channel, destroying 21 British merchant vessels. Levy was promoted to lieutenant — but he didn't get to enjoy it for long. He and his crew were captured and locked up in Dartmoor prison for the rest of the war; his health never recovered.

In 1827, after Levy rescued a U.S. sailor from armed Brazilians, Emperor Dom Pedro offered him command of the country's fleet of 60 ships. "I would rather serve as a cabin boy in the navy than as a captain in any other service in the world," Levy replied. In 1858, the U.S. Navy awarded him the rank of commodore, in charge of the Mediterranean fleet.

For his derring-do, Commodore Levy was convicted in *six courts-martial.*

Levy had other talents as well, making a fortune in New York real estate. A great admirer of Thomas Jefferson and his efforts on behalf of religious freedom, Levy spent a large part of his wealth to buy Monticello in 1836. By that time, Jefferson's impecunious heirs had let the magnificent mansion in Charlottesville, Virginia, deteriorate.

Levy, a competent carpenter, restored the house, brought back much furniture that had been sold, bought Jefferson's original acreage from neighbors and opened the estate to the public. The exhibit credits Levy as the "father of historic preservation in the United States."

Levy left Monticello to the "people of the United States," but his family contested the will and the property fell into disrepair. His nephew Jefferson Monroe Levy won the litigation, restored Jefferson's showpiece and reopened it to the public. In 1923, he sold the house to the Thomas Jefferson Memorial Foundation.

Commodore Levy also commissioned a statue of Jefferson by the French sculptor David d'Angers. It stands in the Capitol rotunda, the only such work donated by a private citizen.

The navy paid tribute to Levy during World War II, naming an escort destroyer after him in 1943. The Levy fought the Japanese in the Pacific. The navy's oldest Jewish chapel, at Norfolk, was named the Commodore Levy Chapel in 1959.

At the dedication, Captain Joshua Goldberg, the first career Jewish naval chaplain, said of Levy that he was "not a saint, but a human, and that is sometimes of greater importance."

As Yet Unsainted, Padre Pio Mesmerizes Italy

By Alessandra Stanley
New York Times Service

SAN GIOVANNI ROTONDO, Italy — In 1959, a celebrated Capuchin monk and mystic named Padre Pio was shown the new brick church that was added to the monastery to accommodate his many followers.

"What are you building, a matchbox?" he told his fellow monks. "Make it bigger."

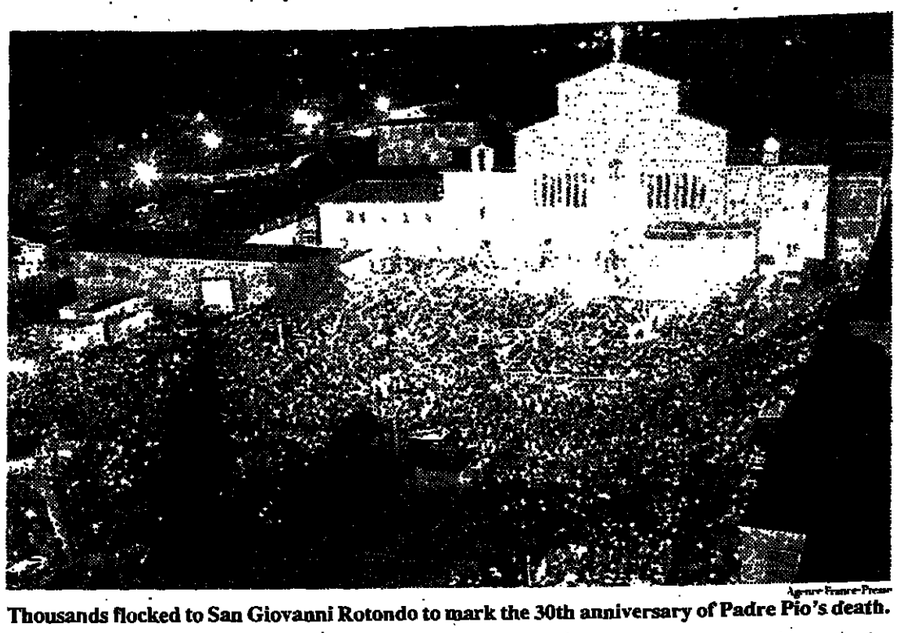
Padre Pio, who died in 1968 at the age of 81, was right. That church has proved far too cramped to handle the 6 million to 7 million pilgrims who travel each year to the monastery on a remote mountaintop of Puglia, in southern Italy, seeking his solace and healing powers. Thirty years after his death, Padre Pio has not yet been recognized as a saint by the Vatican, but he attracts more visitors than Lourdes or the shrine of St. Francis of Assisi.

His is a vast, worldwide following that blends medieval piety with a kind of modern cult celebrity, and commercialism, usually associated with Elvis Presley.

Padre Pio, who came to prominence in 1918 when, according to his followers, he began bleeding profusely from his hands, feet and side, is the first priest to bear stigmata since St. Francis in the 13th century. His devotees also believe that he was endowed with other supernatural gifts, including the ability to be in two places at once and to emit a powerful scent of flowers.

In Italy, where his portrait can be spotted in taxis, dry cleaners, post offices and fashion boutiques, he sells more magazines than the late Diana, Princess of Wales. Sightings of Padre Pio are reported more often than UFOs.

Thousands of pilgrims travel to his tomb in cut-rate charter bus tours that include product demonstration sales pitches — shopping channels on wheels. The streets of San Giovanni Rotondo are overrun with souvenir vendors who sell Padre Pio statuettes, Padre Pio lighters, Padre Pio snow shakers, miniature Padre Pio guitar-shaped prayer books and rose-scented Padre Pio air fresheners.



Agence France-Presse

Thousands flocked to San Giovanni Rotondo to mark the 30th anniversary of Padre Pio's death.

"It has nothing to do with us," said Joseph Pius Martin, a Capuchin born in Brooklyn, New York. He is one of 22 monks who tend Padre Pio's memory. "We didn't want them to turn this into a junky country fair."

In fact, the monks hope to add a touch of class. Flush with donations and anticipation that Padre Pio will soon be beatified, the Capuchins commissioned Renzo Piano, the Italian architect who designed the Georges Pompidou Center in Paris and the Osaka airport, to erect nearby a huge, ultramodern church. Roy Lichtenstein contributed to the interior before his death in 1997, and Robert Rauschenberg is also providing artwork. It is a startlingly contemporary tribute to a monk whose life and work seems lifted directly from the Middle Ages.

Padre Pio, who was born Francesco Forgione, the son of impoverished farm workers, was a sickly, deeply pious child. Before he was ordained, he alarmed his elders with his fasts, fainting spells and self-flagellation. To this day, he is credited with countless miracles and intercessions, everything from healing incurable cancer to finding people jobs and ridding their apartments of mice.

Even people with rather secular preoccupations have sought Padre Pio's help. Peppino Amato, the producer of Fellini's film "La Dolce Vita," once told friends that in a 1959 audience with Padre Pio, the monk silently instructed him to finance the movie.

This year, as every year, 70,000 people gathered in San Giovanni for a 24-hour vigil on the anniversary of his death on Sept. 23. This year, for the first time, the vigil and Mass was transmitted live on the Internet (*www.sangiovannirotondo.com*).

His followers are more passionate about him than they are about the Pope.

"I don't trust priests, and I don't like the church," said Gloria Tucto, a 36-year-old nurse. "But I believe in Padre Pio."

The Vatican took the first step toward recognizing Padre Pio as a saint last year, when he was declared "venerable." But while he was alive, and for years after his death, Rome took a dim view.

The Vatican ordered at least 12 investigations of Padre Pio and issued numerous reprimands. From time to time he was barred from celebrating Mass or hearing confession.

One of the last Vatican investigators, the Reverend Carlo Maccari, reported to Rome in 1960 that Padre Pio had sex with female penitents twice a week. A fellow monk sneaked a microphone into Padre Pio's rooms to find out if Padre Pio was preying on women. (According to the Capuchin publication The Voice of Padre Pio, Maccari, who became an archbishop, later recanted and prayed to Padre Pio on his deathbed.)

But Padre Pio's fame and following grew, regardless of Rome's mistrust. Visitors included the actress Loretta Young, and a newly ordained Polish priest, Karol Wojtyla, in 1947. There is a legend that at that meeting, Padre Pio predicted that Father Wojtyla would someday become Pope.

Pope John Paul II recently denied it. But he has never hidden his belief in Padre Pio, whose tomb he visited in 1987, which was taken as a sign that sainthood would be imminent.

John Paul II has canonized more than 270 people and beatified close to 800, adding more saints than any other Pope in history. He has streamlined the procedure and reduced the number of required miracles from four to one.

But the vetting process in the office of the Congregation of the Causes of Saints is notoriously slow. A pious life and good works, moreover, are more valued in today's church than miracles and mystical doings.

"Elevation, mystification, stigmata are not signs of sanctity, even though the public goes in for such things," said the Reverend Peter Gumpel, a former top official in the Congregation for the Causes of Saints.

Father Gumpel, a Jesuit, added dryly: "We are rather skeptical of such things. They can be a hindrance to the promotion of a cause."

One church-appointed medical board recently approved Padre Pio's miracle — he is credited with curing a 42-year-old woman in Salerno in 1995 who was due for surgery for a buildup of lymphatic fluid in her chest, which disappeared after she prayed to Padre Pio. Two more church boards must approve it before he can be beatified. A second miracle would have to be approved for canonization.

Michael S. Green/The Associated Press

George Strait accepting his award for best male vocalist from the Country Music Association.

PEOPLE

FOR the fourth time, **Garth Brooks** has been voted entertainer of the year by the Country Music Association. Brooks appeared via satellite on the annual awards show in Nashville, Tennessee, and said he hoped the award meant that he had the durability of his role model. "That's only supposed to happen to cool guys like **George Strait**," he said. Strait also was a repeat winner, earning the best male vocalist award for the third year in a row. **Trisha Yearwood** won female vocalist of the Year for the second consecutive year, and **Kix Brooks** and **Ronnie Dunn** took the trophy for best vocal duo, which they've won every year since 1992.

□

Seiji Ozawa called in sick on the opening night of his 25th season as director of the Boston Symphony Orchestra. Ozawa, 63, the longest-serving music director of any major orchestra, had just returned from Russia and was set to open the season with a performance of Beethoven's Ninth Symphony on Wednesday. A symphony spokesman said she expected Ozawa, who had a virus and was running a high fever, to recover in time for a performance Sunday.

□

Bruce Springsteen, Paul McCartney and **Billy Joel** are running mates in one of the season's more lighthearted elections. All are nominees for induction next year into the Rock 'n' Roll Hall of Fame in Cleveland. If McCartney wins election, he will be twice a member. In 1988, he was inducted as one of the **Beatles**. This time, he was nominated as a solo artist. Others on the ballot include the heavy-metal pioneers **Black Sabbath**; the doo-wop groups the **Flamingos** and the **Moonglows**; the gospel group the **Staple Singers**; the pop singers **Darlene Love, Gene Pitney** and **Dusty Springfield**; the soul singers **Solomon Burke** and **Curtis Mayfield**; the early rockers **Del Shannon** and **Ritchie Valens**, and jazz rock's **Steely Dan**.

□

A royalties dispute has silenced a musical statue of the late **Bert Parks**. The statue unveiled last week in Atlantic City, New Jersey, paid tribute to Parks and his 25 years as host of the Miss America Pageant. It also played Parks's rendition of "There She Is," the song he serenaded Miss Americas with as they walked down the runway. But **Phyllis Wayne**, the widow of **Bernie Wayne**, who composed "There She Is," asked for $50,000 for the right to use the song, said the developer of the Sheraton Atlantic City Convention Center Hotel, where the statue is situated. So the hotel quit playing the song.

□

Jack Klugman's former girlfriend has won the right to sue the actor for palimony. A judge in Los Angeles ruled that there was enough evidence to allow **Barbara Neugass's** suit to go to trial. Klugman's lawyer argued that the former "Quincy" star had no formal agreement to support Neugass. The couple split in 1992 after an 18-year relationship and Klugman paid her $1,500 a month until 1996. Neugass is seeking half his property and a monthly stipend.

(put on a happy face)

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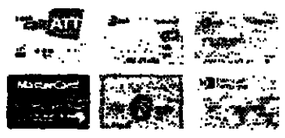

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